



THE REPUBLIC OF KOREA

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Statement by H.E. Ambassador PAIK Ji Ah

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Item 134: Proposed Programme Budget; biennium 2014-2015

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Thank you, Mr. Chairman,

1. Since this is my first time to take the floor at this session, let me begin by extending my warm congratulations to you on your assumption of the chairmanship of the 5th Committee. I am confident that this session will achieve a fruitful outcome under your leadership. I would like to express my sincere appreciation to the Secretary-General for introducing the 2014/15 biennium budget proposal. My thanks also go to Mr. Carlos Ruiz Massieu, Chairperson of the ACABQ, for presenting an informative analysis of the budget proposal.

2. As we all know, Member States have continued to experience financial constraints as a result of the challenging global economic situation. Likewise, the United Nations has also been requested to tighten its budgetary discipline under these circumstances. As such, it is now all the more pressing for the UN to implement its mandates in the most efficient and effective manner, especially, in view of the forecast of prolonged economic difficulties.

3. In this regard, my delegation recognizes the Secretary-General's painful exercise in implementing the mandates under these extremely restrained circumstances. We also appreciate his tireless efforts in exploring various ways to meet the expectation of the membership, as shown in his foreword to the budget proposal.

Mr. Chairman,

4. With regard to the level of the next biennium budget, the Secretary-General has proposed \$5.4 billion (before recosting), despite a number of new and expanded mandates such as Rio+20, and human rights related issues. This figure goes in line with General Assembly resolution 67/248, and is a meaningful departure from past practices, since the regular UN budget has doubled from \$2.6 billion for the biennium 2001-2002 to \$5.4 billion for 2012-2013. While commending the Secretary-General's achievement, the Korean Government encourages the Secretariat to further these efforts, together with ensuring adequate and timely delivery of the mandates. Let me outline some points which my delegation deems important for the budget proposal.

5. First, looking closely into the budget increase over the last decade, a substantial portion is due to the recosting which has been in place for two decades. Although many Member States do not have this sort of automatic adjustments mechanism for their national budget, my delegation understands the necessity to adjust excessive changes of exchange rates to some extent in the course of UN budget implementation, taking into account the vulnerability of the UN budget on a two-year cycle to the fluctuation of exchange rates.

6. However, as one of the main factors for an average 9.4 % increase in the regular budget between the initial and the final approval over the last decade, recosting will no longer be sustainable. More fundamentally, recosting, as it stands now, tends to preclude the incentives for the Secretariat to improve efficiency and seek innovative solutions. As such, my delegation wishes to contribute to overhauling the recosting system. This can be done, by thoroughly reviewing its methodology, element by element, in terms of both scope and frequency.

7. Secondly, I would like to briefly comment on the need to comprehensively examine staffing requirements. As is well known, staffing costs have been a driving force of the UN budget growth for a long time, occupying up to 74 percent of the total UN budget. In accordance with the resolution of the General Assembly last year, the Secretary-General has proposed 261 net post reductions. My delegation welcomes this as a measure of his commitment.

8. At the same time, however, my delegation would like to examine whether those reductions are a result of the comprehensive staffing requirements review, with a view to securing sustainable efficiency gains for the future. Additionally, we have some concerns that the post reductions are related mainly to the lower grade staff. This may have a negative impact on rejuvenating the Secretariat, and a top-heavy structure may lead to further budget increases in the long run.

9. Thirdly, the importance of a continuous working process innovation cannot be overemphasized since the UN workload continues to grow amid a flurry of new and expanded mandates. As the Secretary-General said in January, business as usual is no longer an option. Given today's serious economic constraints, we must do some collective soul-searching in order to find a more innovative and creative solution.

10. In this vein, my delegation encourages the Secretariat to rigorously review obsolete activities in accordance with regulation 5.6 of the Programme Planning. The Secretary-General has to incorporate more active prioritization between mandates and implement additional cost-effective measures into the budget proposals. On top of this effort, the Secretary-General should also pursue reform initiatives such as Umoja, IPSAS, and mobility, more vigorously. We sincerely look forward to the concrete benefits from these initiatives to be materialized, quantified, and eventually duly reflected in the budget. As these benefits are not mere collateral, low-hanging fruits, the Secretariat should provide the Member States with more analysis and details.

Mr. Chairman,

11. To conclude, my delegation will engage constructively and actively in the discussion of the proposed programme budget for the biennium 2014-2015, based on the comments made today.

I thank you, Mr. Chairman.