



**Report of the Secretary-General on
Proposed Programme Budget Outline for the Biennium 2016-2017 (A/69/416)**

FIFTH COMMITTEE

Statement by
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Mr. Chairman,
Distinguished Delegates,

1. I have the honour to introduce the Report of the Secretary-General on the Proposed Programme Budget Outline for the Biennium 2016-2017 (A/69/416). The outline, after consideration and approval by the General Assembly, will serve as the basis for the Secretary-General's proposed programme budget for 2016-2017.
2. The regular budget over the last four biennia has remained fairly steady, except the provisions for Special Political Missions that fluctuate based on Security Council decisions on new and expanded missions. Since taking office, the Secretary-General has made real efforts to reduce the budget. The Budget outline for the biennium 2016-2017 continues this path.

The outline of the programme budget contains in line with the process set out in resolutions 41/213 and 63/266.;

- a) An indication of preliminary estimate of resources to accommodate the proposed programme of activities during the biennium 2016-2017;
- b) Priorities, reflecting general trends of a broad sectoral nature;
- c) Real growth, positive or negative, compared with the previous budget; and,
- d) Size of the contingency fund, expressed as a percentage of the overall level of resources:

(Priorities)

- 3. The eight priorities proposed for the work of the Organization reflect those recommended by the Committee for Programme and Coordination (CPC) for the General Assembly's approval, and include:

Promotion of sustained economic growth and sustainable development in accordance with the relevant resolutions of the General Assembly and recent United Nations conferences;
Maintenance of international peace and security;

Development of Africa;

Promotion of human rights;

Effective coordination of humanitarian assistance efforts;

Promotion of justice and international law;

Disarmament;

Drug control, crime prevention and combating international terrorism in all its forms and manifestations.

(Preliminary estimate of resources)

- 4. The General Assembly, in its various budget outline resolutions starting from 41/213, the latest of which is resolution 67/248, reaffirmed that the budget outline should provide a greater level of predictability of resources required for the following biennium. In

line with this request, we need to provide Member States with the fullest picture of the entire quantum of necessary resources estimated for the following biennium. The Secretary-General therefore included, as part of the overall preliminary estimate of resources, not only additional resources to support new mandates but also essential operational needs foreseen for the biennium (paragraph 13-15), and those initiatives currently before the General Assembly and those yet to be tabled known at the time the report was prepared (Annex II of the report). We have tried to present you the whole picture of preliminary estimate.

5. Failure not to include those requirements foreseen already now in the outline of preliminary estimate for 2016-17 would result in subsequent piecemeal requests through the biennium. Member States decided to avoid such incremental budgeting as much as possible by concluding the more predictable budget procedures in the resolution 41/213.
6. The preliminary estimate of resources starts with the appropriations approved for 2014-2015 which amounts to \$5,538.6 million. This starting point is adjusted by a number of factors, namely:
 - (a) Full provision for newly established posts approved for 2015 only;
 - (b) Removal of one-time costs in 2014-2015;
 - (c) Provision for estimated resource changes in the biennium 2016-2017;
 - (d) Inclusion of additional requirements for special political missions; and
 - (e) Inclusion of estimates arising from initiatives currently before the General Assembly and those yet to be submitted.
7. The full biennial provision in 2016-2017 for 38 newly established posts in 2015 only, would require an additional amount of \$6.8 million as reflected in paragraphs 7 to 9 of the report. As the

General Assembly approved the same vacancy rates for both continuing and newly established posts, the prior practice of including provisions for the delayed impact of newly established posts has been discontinued.

8. One-time costs in 2014-2015 amounting to \$95.6 million that are no longer required for 2016-2017 have been removed, as detailed in paragraphs 10 to 12 of the report.
9. The proposed provisions for resource changes in the biennium 2016-2017 include an amount of \$59.5 million as reflected in paragraphs 13-15 of the report. It consists of resources to support new mandates (\$26.1 million); and also resources of UN's essential operational needs foreseen (\$33.1 million); such as staff cost for incoming PGA, post-CMP maintenance, property insurance and AHSI, and security at the high-level segment of the GA, on which separate report to the General Assembly is not envisaged before the SG's proposed program budget early next year.
10. Preliminary indicative requirements for special political missions reflect a net increase of \$163.3 million, compared with the initial appropriations for 2014-2015. Similar to previous budget outlines, the estimates are based on the experience in the current biennium, notably, the approved level of SPM resources for 2014, adjusted to take into account the biennial provision for the continuation of existing SPMs, discontinuation of Missions whose mandates will not be extended in 2015, expansion of existing missions, and new missions that were not established at the time the budget outline level for the previous biennium was approved.
11. As I mentioned, we have included information on initiatives currently before the General Assembly and those foreseeable items that are yet to be issued that may impact the budget outline (in paragraphs 19 to 21, and detailed in Annex II). The estimated amount known at the time of the preparation of the report was \$49.9 million, including construction of ECA (\$14.6 million), Umoja

project costs (\$14.4 million), strategic capital review (\$9 million). This amount will be off-set by the projected reduction of \$30 million relating to the initial portion of Umoja benefits realisation plan. The net amount is estimated at \$19.9 million.

12. In respect of the Umoja benefits realisation, you will recall that the General Assembly, in its resolution 67/246 underlined the validity of the overall qualitative and quantitative benefits related to the Umoja which were identified in the first and second annual progress reports.
13. In line with the General Assembly's decision, the Secretary-General, in his Fifth and Sixth progress reports reaffirmed his commitment to realizing the quantitative benefits in the range of \$140 million - \$220 million between 2017 and 2019. The Secretary-General also indicated his intention to incorporate the benefits realization plans into the appropriate budgeting cycle and budget performance reports as Umoja continues to be rolled out.

(Summary)

14. After factoring in all the changes I mentioned, the preliminary estimate for the regular budget established activities reflects a decrease of \$3.4 million or 0.1 per cent. This represents the SG's determination to strict budgetary discipline.

Including requirements for SPMs, the overall preliminary estimate for 2016-2017 would amount to \$5,698.5 million, reflecting a growth of \$159.9 million or 2.9 per cent, reflecting new mandates.

15. It is recommended that the size of the contingency fund be maintained at 0.75 per cent for the biennium 2016-2017.
16. In conclusion, I would like to stress again the importance of providing Member States with a greater level of predictability of total resources foreseen for the following biennium, by taking a comprehensive approach. We should avoid incremental budgeting as much as possible at the early stage of consideration of budget outline.

Thank you Mr. Chairman.