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Statement by Donald S. Hays, Ambassador for UN Management and Reform

On Agenda Item 132: Recosting Study

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Mr. Chairman, thank you for giving me the floor.

My delegation would like to express our appreciation to Mr. Johannes Huisman, Director Program Planning and Budget Division and Mr. Carlos Ruiz Massieu, Chair of the Advisory Committee on Administrative and Budgetary Questions, for their comments. My delegation also expresses our gratitude to the High-level Panel of Experts for their work.

For over thirty years I have personally been involved in efforts to modernize and bring greater discipline to governmental activities, in my own government, at the UN and within the international community abroad. One thing I can say for sure is that when we work together we can in fact make true progress, bringing about enhanced management principles and improved organizational discipline.

My delegation would like to draw attention to the fact that we, the collective membership of this body are not simply here to follow blindly the patterns set forward by those that preceded us. We are stewards, no more than that we are the United Nations. And in recognition of that fact it behooves all of us to take up this challenge to make the UN – our UN work efficiently, with greater discipline in a way that would make our citizens proud of us and the institution we watch over.

So it should come as no surprise when I express my country's commitment to greater budget discipline and a more up to date process, reflecting current best practices. The United States believes that the UN's existing budget process requires broad-reaching and comprehensive reforms. The Independent Study on Budget Re-costing contains some important suggestions that could serve as first steps in a reform of the process. However, we are disappointed the report did not more thoroughly explore alternatives to the UN's existing recosting methodology, one that is used by our government which includes using vacancies to balance cost increases. We consider the proposal to institute a cap on re-costing worth considering.

The re-costing process, which is unique to the United Nations, is not sustainable nor supportable in today's world when governments no longer employ such measures. This approach needs to be brought up-to-date. To accomplish this reform, the UN needs the flexibility to shift its focus from drafting budgets to managing the use of resources to the level approved by this Assembly. The UN also needs improved capacity to monitor costs so that the UN's management and member states know on a timely basis whether the organization is staying within approved budget levels or whether adjustments to expenditure levels are necessary to ensure that it stays within those levels. It is after all our responsibility to provide not only oversight but to ensure that oversight is effective.

Other international organizations and national governments are able to perform their missions without requiring re-costing to cover actual expenditure levels. The UN should adopt procedures to enable it to perform in a similar manner. Without progress on re-costing reform or new efficiencies in the regular budget, it is difficult to see how UN member states, including my own government, will be able to make the case for providing the funding sought by the Secretary General's request for this biennium or future ones. In the current difficult financial environment, having to make the case twice, once for the initial budget level and then again for expenditures that exceed the agreed level due to recosting, is very difficult.

Mr. Chairman, my delegation remains fully committed to the budget reform discussion, including reform of re-costing and to ensuring that the UN remains on sound financial footing. My delegation will continue to be engaged in the discussions under this agenda item in a positive and constructive manner. We seek to engage those who want an effective and efficient UN budgetary system.