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THE SECRETARY-GENERAL

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**REMARKS TO THE FIFTH COMMITTEE
OF THE GENERAL ASSEMBLY
New York, 13 October 2021**

Dear Excellency, Ambassador Mher MARGARYAN, Chairman of the Fifth Committee,

Mr. Giovanni BATTISTA BUTTIGIEG, Chairman of the Committee for Programme and Coordination

Mr. Abdallah BACHAR BONG, Chairman of the Advisory Committee on Administrative and Budgetary Questions

Distinguished Ambassadors and delegates,

I welcome this opportunity to introduce the proposed programme budget for 2022.

The context for this presentation remains a world upended by the COVID-19 pandemic.

The pandemic has revealed fractures in our societies; inadequate healthcare; gaps in social protection; structural inequalities; and massive shortcomings in financing and global solidarity.

But times of crisis can also bring out the best — and show what is possible when we work together.

Around the world — and thanks to your support and engagement — the United Nations has stayed and delivered.

We helped the world respond to the immediate effects of the pandemic – from the health response to its devastating socio-economic impacts.

We delivered medical, food and humanitarian supplies; provided electoral assistance, undertook mediation efforts, and led and supported peace talks.

We called for a global ceasefire – and appealed for action to address the alarming rise in domestic violence that has accompanied the pandemic.

We protected and spoke up in defense of the human rights of the most vulnerable and marginalized.

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We did all of this complex and wide-ranging work while navigating a serious liquidity crisis.

And throughout, our reforms remained on course.

We are well into the third year of implementation and the benefits are visible.

The COVID-19 pandemic was an early test of our reforms – and they have enabled us to adjust our business operations and respond quickly to the needs of countries.

Unlike past emergencies, the Secretariat did not need to create new structures to manage the response. The new reform structures in development, peace and security and management already in place facilitated a unified and agile response to the pandemic, saving time and money.

In a matter of months, United Nations Country Teams rolled out 121 socio-economic response plans covering 139 countries and territories.

More than \$3 billion was repurposed, and an additional \$2 billion was mobilized, to prioritize immediate support.

According to independent surveys, over 90 per cent of governments in developing countries agree that Resident Coordinators helped ensure a coherent United Nations response to the pandemic.

And our ongoing reforms are yielding results.

91 per cent of host governments indicated that the United Nations today is more relevant to their country's development needs when compared to three years ago.

92 per cent felt that the new Cooperation Frameworks have enabled them to effectively address and respond to national priorities.

And more than 80 per cent of governments confirmed we were successful in targeting at-risk groups, those most hurt by this crisis.

The Resident Coordinators are now drawing on assets across the three pillars to support the achievement of the Sustainable Development Goals.

The peace and security reforms have allowed us to begin implementing comprehensive regional strategies, leading to greater harmonization of action with regional and subregional organizations and other stakeholders.

There is now a single point of contact for peacekeeping and special political missions operating in the same region, with distinct but complementary mandates.

A strengthened Peacebuilding Support Office now serves as a dedicated 'hinge' with the development pillar.

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Management reform has brought substantial changes in structures, accountability, delegation and internal operations. These have been critical to sustain business continuity during the pandemic.

The reforms enabled us to quickly adjust policies and procedures to accommodate the new realities on the ground; at the same time, we had dedicated capacities that could focus on key areas of concern, such as health and supply chain management.

The new division of labour between strategic and policy functions and operational functions has proven especially useful.

Dedicated resources for policy were quickly able to adjust frameworks for new remote working arrangements, and other policies, while the Department of Operational Support was able to provide dedicated service to all entities in the UN Secretariat.

In human resources, affected policy and guidance were revised and published quickly in consultation with key stakeholders to adjust to the situation on the ground. Additionally, DOS created a dedicated way to respond to urgent COVID-19 queries in less than one business day.

A system-wide medevac system was established and managed by the Secretariat. And we rolled out a programme to vaccinate personnel in countries where the local health systems could not provide vaccines to our personnel. This ensured that the United Nations system was able to support countries and communities with their response efforts to the pandemic. This unprecedented operational collaboration with the wider system was made possible by our reforms.

The end-to-end supply chain structures enabled the Secretariat to act more nimbly. Emergency procurement procedures were activated. Personal Protective Equipment and medical equipment were successfully sourced and supplied to duty stations in need. Decentralized procurement authority was raised to allow for more local procurement of critical goods and services.

The enhanced delegations of authority have provided critically needed operational responsiveness and flexibility on the ground.

Meanwhile, a unified information technology structure allowed us to jointly utilize corporate tools for communications and remote working arrangements. Our main communication tools are now also accessible system-wide, allowing us to coordinate our response efforts with the Funds, Programmes and Specialized Agencies.

We have also continued to strengthen our internal control framework. I signed the Secretariat's first Statement of Internal Control earlier this year, marking an important milestone towards achieving greater accountability. The Statement provides assurance to Member States that Secretariat-wide mandated activities are being implemented effectively and efficiently; that financial reporting is reliable and compliant with International Public Sector Accounting Standards; and that regulations, rules and procedures adhere to the regulatory framework.

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More work on our reforms remains, and we will increase our efforts to improve effectiveness and better support Member States.

But one year on, I am proud that our reforms have allowed us not only to respond quickly and effectively to the challenges of an unprecedented global pandemic, but also enabled us to survive one of the worst financial crises in more than a decade.

Mr. Chairman,
Distinguished Delegates,

The programme budget I am presenting today is the third since Member States approved, on a trial basis, the biggest change in our planning and budgeting processes in decades.

The move from a biennial programme budget to an annual exercise is a major step towards more realistic budgeting and a greater focus on results.

It has improved the accuracy of our resource estimates, enabled us to adapt more quickly to changes in mandates, and allowed us to adjust our planning based on actual programme performance, thereby improving mandate delivery and accountability for results.

The annual cycle also provides Member States with an opportunity to give more frequent direction on resource allocations for the Organization, and to align those decisions with recent or sudden events, such as the global pandemic.

We are now able to adjust our programme planning and incorporate lessons from the response to the pandemic into the budget for 2022. Under the biennial budget, such steps would have had to wait until 2024-2025.

Last year, I indicated that this reform would be an ongoing process, and that I looked forward to receiving your guidance on any areas that we can improve further.

The document before you reflects that guidance. One such improvement is the inclusion of more than 1,000 examples of the benefits that the United Nations helps to bring about through its global operations.

While change always poses challenges, positive signals continue to be received from all stakeholders. Both your advisory Committees have shifted their attention away from the presentation format of the budgets, hence allowing more focus on resource and programmatic discussions. I am encouraged by the positive reactions and the momentum the annual budget is generating towards a more results-oriented culture.

As part of this new culture, more than one thousand programme managers continue to engage in the formulation of planning and budget proposals, assessing their work and performance.

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In Part A of the document, we are now reporting on the performance of our programmes in 2020. In instances where our performance fell short, we make adjustments to ensure better results in 2022.

The annual programme budget includes a multi-year account of measurable results. This year's budget includes measurable planned results for 2021 and 2022, and measurable actual results in 2018, 2019 and 2020 for each of the 350 result frameworks. This offers a comprehensive picture of our programme delivery over the past three years.

The Secretariat's self-evaluation policy took effect this year. Every department and office are now required to undertake at least one evaluation a year and report the results through the budget process. OIOS and DMSPC are collaborating on providing training and support to all programme managers and evaluation focal points. These efforts will instil a culture of learning whereby programme managers will continuously assess performance to improve on programme delivery.

Two years ago, when I introduced the 2020 budget, you requested me to provide greater access to electronic information on the budget. I am happy to report that we have now provided two sets of electronic information.

First, the "results.un.org" portal provides information on the programmatic results. You can filter those results not only by programme and subprogramme, but also by type of result and geographical location, with hyperlinks to the document for more detailed information.

Second, the Umoja Budget Information Pilot provides detailed resource information to the Committee, including monthly updates of expenditures and liquidity ratios.

Working closely with you, we will continue to improve access to information as part of my efforts to increase transparency.

Let me turn now to Part B of the proposed programme budget: post and non-post resource requirements for 2022.

The presentation format for this part has taken on board previous recommendations made by the Advisory Committee.

To fully implement the mandates entrusted to us, we will require a total of \$3.12 billion before re-costing, which represents a net reduction of 2.8 per cent compared to 2021, despite additional activities and mandates.

This includes a total of 10,005 posts, or a net increase of 46 posts.

I would like to highlight four key drivers.

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First, strengthening the development pillar. The proposals include an increase of \$2.8 million for development, including for our programmes in support of Africa's development and land-locked countries and Small Island Developing States. I am again seeking an increase in the level of the Regular Programme for Technical Cooperation to support capacity development. This will be the third increase during my tenure.

Second, strengthening support for human rights. The proposal includes the conversion of 16 general temporary positions into professional posts, and \$4.4 million to implement resolutions and decisions of the Human Rights Council.

Third, supporting the United Nations Relief and Works Agency for Palestine Refugees in the face of its chronic funding gap. We are proposing an increase of \$6.1 million including 43 additional posts to support education, health care and general assistance to Palestinian refugees.

Fourth, investing in infrastructure and resilience. The budget proposal includes \$6.3 million for upgrading the ageing security infrastructure of our premises, as well as adapting our security posture to emerging threats and improving accessibility.

While further new legislative mandates may emerge in the coming months, at this stage estimates amounting to approximately \$37 million in response to new resolutions from the General Assembly, the Economic and Social Council and the Human Rights Council, are expected.

Another \$22 million may be needed for recently expanded Security Council mandates of Special Political Missions in Colombia, Sudan, followed by yet to be determined additional requirements for the mission in Libya.

Approximately \$95 million is required for construction, including \$69 million for the Strategic Heritage Plan in Geneva.

Subvention requests for the courts of Cambodia, Sierra Leone and Lebanon are expected to amount to approximately \$19 million.

The budget proposals were constructed on the assumption that the trajectory of the pandemic response, and the development and deployment of vaccines, would allow a return to normalcy, albeit a new normal, in 2022. Recent surges in COVID-19 cases and multiple waves of differing intensity around the world suggest a need to remain flexible with our plans and delivery modalities. I am confident in our ability to continue to adapt to the changes that we may face.

Indeed, the Organization responded quickly and well to the sudden onset of the pandemic, even as we reached – hopefully -- the peak of a financial liquidity crisis, with yet another record for arrears in contributions, exacerbated by increasing fluctuations in payment patterns.

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Only through exercising careful control over our fiscal expenditure were we able to minimize the inevitable negative impact on programme delivery. Our cash management efforts also allowed us to adjust our expenditure to undertake lifesaving medical evacuations and procure and distribute core medical supplies and equipment. This allowed United Nations personnel to stay and deliver across the world.

2021 started poorly, with collections in the first quarter trailing estimates by nearly \$199 million, added to the \$808 million arrears with which we started the year.

We responded to this emerging liquidity crisis less drastically than last year, primarily due to assurances from many Member States about their plans to pay their contributions. We saw a record collection in April, of \$1 billion, bringing the total for the year to 76 per cent of the year's assessment. This is also a record for early collection.

However, this should not lull us into complacency. The overall total masks numerous fluctuations in collections each month, pointing to the challenges of planning budget implementation with such uncertainties. Our fair-weather regulatory framework leaves much to be desired, and it is my hope that Member States will see the need for full and predictable funding so that we can focus on the delivery of our mandates guided by the budgets and not by cash on hand.

The recent more positive indications have allowed us to lift most of the temporary cash-management measures. I have asked senior managers to ensure that they advance gender parity and strive for more equitable geographical representation when they fill vacant posts. While we have reached gender parity in senior management two years ahead of our target, we have to increase efforts across the rest of the Secretariat.

Similarly, we have to increase efforts to recruit more from un-represented and under-represented countries for geographical posts, and from a wider geographical base for the rest of the posts. Our staff have to better reflect the international character of our Organization.

I look forward to your support for my budget proposals for 2022, as we prepare to better serve the world in its new year of need.

I am available to answer your questions, and my senior managers will continue their interactions with you as you deliberate on these proposals.

Thank you.