



**STATEMENT
ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MS. KAREN LOCK,
PERMANENT MISSION OF SOUTH AFRICA TO THE UNITED NATIONS,
ON “INVESTING IN THE UNITED NATIONS:
FOR A STRONGER ORGANISATION WORLDWIDE”
TO THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY
New York, 19 June 2006**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on “Investing in the United Nations for a stronger Organisation worldwide”.

The Group wishes to thank the Controller, Mr. Warren Sach, and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), Mr. Rajat Saha, for introducing the respective reports of the Secretary-General (A/60/846 and the relevant Addenda) and the Advisory Committee (A/60/870). We also appreciate the presentation by Mr. Juan-Luis Larrabure and Mr. Kenneth Herman of the reports of the Joint Inspection Unit and the Secretary-General on the use of open source software. We largely support the recommendations of the Joint Inspection Unit and will revert to them in the context of the comprehensive fact-finding study on Information and Communication Technology to be submitted in the 61st session.

Mr. Chairman,

A great deal has been said during the past few months about the reform agenda and the commitment of the Group of 77 and China and other Member States to reforming the United Nations. As recently as on 29 May 2006, the Group of 77 and China held a Special Ministerial Meeting in Putrajaya, Malaysia, and reaffirmed our “strong support to the United Nations, and to all collective efforts aiming at enhancing its ability to fully implement its mandates and to ensure the effective delivery of all its programmes, in particular in the social and economic development field”. The Ministers also stressed that “the legitimacy and viability of any reform measures depend ultimately on the broad support of Member States of the United Nations, as well as of the United Nations staff who dedicate themselves to the values and principles of the Organization”. The Putrajaya Ministerial Statement will continue to guide the approach of the Group of 77 and China during the upcoming negotiations.

The Group of 77 and China has also maintained that Member States would have to demonstrate their commitment to the United Nations by ensuring that it receives adequate and predictable resources. The Organisation cannot be expected to perform effectively if it is expected to undertake more tasks within stagnant budget levels, in particular in the areas of economic and social development. Member States cannot, on

the one hand, be calling for the reform of the Organisation, whilst, on the other hand, through their actions bring it to the brink of financial insolvency.

It is for this reason that the Special G77 Ministerial Meeting reaffirmed that efforts to use "financial contributions to push for the adoption of certain proposals are counter-productive and violate the obligations of Member States to provide resources for the Organisation, as enshrined in its Charter". The Ministers also reaffirmed that, in order to avoid a crisis within the United Nations, the limit on the expenditure of the Organisation shall be automatically lifted upon receiving the request of the Secretary-General and urged all Member States to act accordingly.

We wish to state for the record that the Group of 77 and China is ready to finance the additional costs resulting from the adoption of reform measures as revised appropriations. We note that some proposal will require substantial investment in the current and future biennia. We trust that other Member States would stand ready to demonstrate their commitment to reform by increasing the existing levels of the budgets of the Organisation. Member States have for far too long attempted to finance new activities from within existing resource levels which is not only unrealistic but undermines the functioning of the UN. It is time to commit to providing the Organisation with adequate and predictable resources.

Mr. Chairman,

The Group of 77 and China has always maintained that proposals that touched on the role and prerogatives of Member States in the General Assembly, which are clearly enshrined in the Charter, fall outside the scope of the World Summit decisions. We have also maintained that these are issues that have no relation to the management reform of the Secretariat. We have addressed these concerns in April and trust that they have been laid to rest once and for all. However, it is regrettable that the Secretariat has not fully implement resolution 60/260 and re-submitted some proposals that bear no relation to the management reform issues. These proposals have led to very divisive discussions among Member States during the World Summit negotiations, the budget negotiations and the negotiations in April 2006. The report on limited budgetary discretion (Addendum 2) is a clear case in point as it does not respond to the provisions of General Assembly resolutions 60/246 and 60/260 and, therefore, cannot be considered. It would be prudent for Member States to avoid embarking on a potentially divisive negotiation on such a highly controversial issue.

This position is in line with the call by the G77 Ministers on the Secretary-General to fully implement General Assembly resolution 60/260. The G77 Ministers have stressed that proposals that were not endorsed by the General Assembly should not be re-submitted. In this regard, we wish to also point out that General Assembly resolution 60/260 has already pronounced itself on the proposals on the charging of interests on arrears, a public access policy and the consolidation of performance and financial information into one annual report. We expect that the relevant provisions will

be respected, as the implementation of resolutions should ultimately be part and parcel of the efforts to increase the accountability of the Secretariat to the Assembly.

Mr. Chairman,

There are numerous other proposals of the Secretary-General before us that we believe bear relation to the management reform of the Secretariat. I therefore, have the honour to state the position of the Group of 77 and China on most of these proposals, which we believe would require careful reflection by Member States. We further believe that these proposals have the potential of ensuring a strengthened United Nations. We note that the ACABQ has also raised a number of pertinent issues on aspects of Addenda 1, 3 and 4. The Group looks forward to discussing the proposals further during the informal consultations.

Information and Communication Technology

The Group of 77 and China supports measures to improve the infrastructure of the United Nations. To this end, the Group has firmly supported the development of a comprehensive information and communication technology strategy that would enhance inter-connectivity between the United Nations Headquarters in New York and other Offices in Geneva, Nairobi, Vienna, as well as the Regional Economic Commissions. During the budget negotiations in 2005, we also called on other Member States to support increasing the resources allocated to training and Information and Communication Technology at the United Nations. Our calls unfortunately did not find support among other Member States at the time. We, however, trust that Member States will be willing to consider requests for resource increases in a more favourable light this time round.

The Group supports the creation of a post of Chief Information Technology Officer at the level of Assistant-Secretary-General. We, therefore, would appreciate it if the proposal of the ACABQ to meet the function through redeployment could be clarified. We, furthermore, look forward to receiving information on the composition, structure and reporting lines of the proposed new office, as well as its interaction with other Secretariat structures, in the report that the Secretary-General intends to submit in the 61st session.

The Group of 77 and China also supports the proposal to replace the Integrated Management Information System (IMIS) with a next generation enterprise resource planning system (ERPS) or any other appropriate solution. We, consequently, look forward to the findings of the detailed study and costing plan that the Secretary-General has initiated and undertook to submit to the Assembly in the 61st session. We trust that the study will respond to the issues raised by the Advisory Committee, as well as by the Assembly in Section IV of its resolution 60/260. The Group notes the potential savings that the Organisation may realize through using open source software and expects that the study will elaborate on this element, as requested in Paragraph 1 (f) in Section V of resolution 60/260.

Mr. Chairman,

International Public Sector Accounting Standards

Turning to the proposals to improve financial management practices of the United Nations, the Group of 77 and China believes that it is important to maintain and enhance the credibility, transparency and accountability of the financial processes and transactions of the United Nations. We, therefore, support the proposal of the Secretary-General for the United Nations to adopt International Public Sector Accounting Standards (IPSAS) for its financial statements. We further concur with the Advisory Committee that the proposed timetable for implementation should be realistic and would have to be synchronized with the introduction of a new information technology system.

Working Capital Fund

The Group of 77 and China supports the proposal of the Secretary-General to increase the level of the Working Capital Fund. The level of the Fund has remained stagnant since 1981 and it would be prudent for the Assembly to increase it to a more realistic level. The Organisation regrettably finds itself in a precarious financial situation due to non- and late-payment by Member States of dues. Whilst we believe that the increase from a technical point is justified, we are mindful that it will not solve the bigger political problem of late payment of dues. We, therefore, whilst recognizing the need to extend sympathetic understanding to those temporarily unable to meet their financial obligations as a consequence of genuine economic difficulties, reiterate our call to all Member States to reaffirm their commitment to meeting their legal obligations to bear the expenses of the Organization in accordance with the Charter of the United Nations.

Budget Surpluses

The Group is sympathetic towards the request by the Secretary-General for Member States to apply the budgetary surpluses to meet either the costs of the Organisation's unfunded liabilities arising from the After-Service Health Insurance Scheme or from the increase in level of the Working Capital Fund. It is important, however, to acknowledge that the Secretary-General would not have had to make this proposal if Member States have met their commitment to the Organisation in full, on time and without conditions. Pronouncements by some that they may withhold their assessments are also compounding this unfortunate situation that the Organisation finds itself in. We will require clarification if the retention of surpluses will be a once-off measure and that the right of Member States to determine how the surpluses due to them have to be used will be respected. We also expect that the Secretariat will be able to clarify a number of issues in the informal consultations to enable the Committee to reach a final decision on this matter.

Consolidation of peacekeeping accounts

On the proposal to consolidate the accounts of closed and active peacekeeping operations, the Group notes the indication that the consolidation may provide a more predictable cash flow to peacekeeping operations, including those that traditionally face cash shortage due to non-or late payment, as well as permit a more timely reimbursement of troop and police-contributing countries. It is also stated that consolidation may have certain administrative advantages and enable the Organisation to settle long outstanding liabilities in the accounts of closed peacekeeping operations with cash deficits. We look forward to further elaboration on these aspects in the informal consultation.

We, however, note that consolidation would not solve the problem of non-or late payment of dues by Member States. In this regard, we note the comments of the ACABQ that those Member States that pay their assessments in full and on time may be subsidizing those that do not. We also note the acknowledgement by the Secretariat that overall availability of cash would continue to depend on the overall prompt payment of assessments by Member States. In light of these comments, we would appreciate a clarification on these matters in the informal consultations.

Mr. Chairman,

The Group of 77 and China will continue to negotiate in a constructive manner through the established processes of the General Assembly. Linkages between the various proposals and outcomes of the different negotiating processes are not helpful and should be avoided. The setting of artificial deadlines for the consideration of proposals and conclusion of negotiations are also not conducive. Member States have received a large number of technical proposals that will require careful consideration, as they will have a lasting impact on the work of the Organisation. Reform is not an end in itself and Member States have to take sensible decisions to ensure that the United Nations is able to undertake a broad range of activities in the immediate and longer-term.

I thank you, Mr. Chairman.