



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY
COUNSELOR M. LUZ MELON, PERMANENT MISSION OF ARGENTINA TO
THE UNITED NATIONS, ON AGENDA ITEM 129: PROGRAMME BUDGET
FOR THE BIENNIUM 2010-2011, CAPITAL MASTER PLAN, DURING THE
FIRST RESUMED 65TH SESSION OF THE FIFTH COMMITTEE OF THE
GENERAL ASSEMBLY (New York, 8 March 2011)**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on Agenda Item: biennium 2010 - 2011: Capital Master Plan (CMP).

2. The Group of 77 and China would like to thank the Assistant Secretary-General, Executive Director of the Capital Master Plan Project, Mr. Michael Adlerstein, for introducing the report of the Secretary-General under this item as well as the Chairman of Advisory Committee on Administrative and Budgetary Questions (ACABQ) Mr. Collen Kelapile for his introduction of the related report of the Advisory Committee. The Group, furthermore, wishes to express its appreciation to the Assistant Secretary-General, Controller, Mr. Jun Yamazaki for his presentation and to the Chair of the Audit Operations Committee from the People's Republic of China, Mr. LIU Yu, for introducing the report of the Board of Auditors on the Capital Master Plan for the year ended 31 December 2009.

Mr. Chairman,

3. The Group of 77 and China recalls the Secretary General's 8th annual progress report should have been considered last fall, in 2010 as per the relevant legislative mandate. We seek to know the details that occasioned the delay in the consideration of this report. The Group trusts that the next annual report and future reports will be considered in the fall, as per the practice in the Committee.

4. In volume IV of its report, the Board of Auditors and the ACABQ have highlighted that the project will likely lag behind by about 6 months, with a new completion date estimated for 2014, due to additional structural work related to the design and construction of security enhancements. The Group notes with concern that these security enhancements, which would cost US\$100 million, led the Capital Master Plan to develop a revised concept, constituting a scope change. In this regard, the Group recalls resolution 62/87, in which the General Assembly decided that any scope options in addition to those already approved should be submitted by the Secretary-General to the Assembly for its consideration and approval. The Group is also concerned that the delays related to the security enhancements will lead to cost escalation beyond the anticipated US\$ 100 million. We stress the need to avoid delays, cost overruns or altering of the approved design.

5. We note that there has been incremental progress in the implementation of the capital master plan, namely, large-scale renovation of the Secretariat building and a number of conference rooms. The Group emphasizes the importance of the project being completed on time and within the approved sizeable budget of \$1.88 billion.

6. The Group of 77 and China concurs with the recommendations of the Board of Auditors and the related observations and recommendations of the ACABQ. We emphasise that the Board's

recommendations should be implemented expeditiously.

7. The Group notes with interest that the Board of Auditors is uncertain as to the benefits arising from value engineering. In this regard we would recall that the Board has recommended that the merits of value engineering be reassessed. We trust that in the quest for cost savings, the project quality of the CMP will not be jeopardized. The Group trusts that the project will remain within the approved budget, in spite of lack of clarity about the benefits of value engineering.

8. The Group of 77 and China reaffirms the relevant provisions of the General Assembly resolutions 61/251, 62/87, 63/270 and 64/228, which clearly stipulate that the procurement activities in the implementation of the Capital Master Plan should be in full compliance with United Nations rules, regulations and procedures and General Assembly resolutions governing United Nations procurement activities as well as ethics policies. The Group stresses that expediency should not be at the cost of undermining the established rules and procedures. The relevant provisions of the General Assembly resolutions should be fully upheld and due diligence should be exercised to ensure the best interest of the Organization. We are concerned with the observation of the Board of Auditors that some contract amendments represented significant amounts without any direct linkage to the initial scope of services contained in the original contracts.

9. The Group further wishes to underline the hope that the Secretary-General will take further concrete steps to increase procurement opportunities for vendors in developing countries and countries with economies in transition, and inform Member States accordingly on steps taken in that regard.

10. The Group of 77 and China supports a donations policy to the CMP which is not restrictive and is in conformity with the international and intergovernmental character of the Organization as well as the Financial Regulations and Rules of the United Nations, and without prejudice to the scope, specifications and design of the project, and in accordance with the relevant provisions of the General Assembly resolution 63/270. In this regard, the Group would like to further examine the merit of the ACABQ recommendations encouraging the Secretary-General to solicit private donations, where appropriate.

11. The Group appreciates the fact that the Advisory Board of the CMP is in place and that it plays its envisaged oversight role over the project. We are convinced that the Board will play a central role in assisting the CMP Office meet the set goals and deadlines for the renovation of the project. The Group, however, concurs with the request made by the ACABQ that information on the activities of the Board is provided on a routine basis to the General Assembly in the context of future progress reports on the capital master plan. We believe that the Advisory Board could also play an important role in assisting the General Assembly in its decisions and assessment of the project.

12. The G-77 and China urges the Secretary-General to continue to ensure that persons with disabilities have access to the Organizations' facilities on an equal basis with others, in line with the provisions of accessibility established in the Convention on the Rights of Persons with Disabilities.

13. The Group of 77 and China reiterates its concern about the permanent elimination of 350 parking spaces. We urge the Secretary-General to ensure that the total number of parking spaces available to Member States will not diminish upon the completion of the capital master plan, as determined by General Assembly resolution 63/270. In this regard, we stress that the General Assembly has the sole prerogative of deciding on any major change to the Capital Master Plan

project, budget, and implementation.

14. Furthermore, the Group recalls resolution 57/292, which requested the Secretary-General to study options to ensure a sufficient number of parking spaces at United Nations Headquarters so as to meet the existing and future needs of diplomatic missions and Secretariat staff.

Mr. Chairman,

15. The Group of 77 and China notes with concern that the expenditures in connection with the Capital Master Plan and associated costs will reach a substantial level in 2011, amounting to \$110.9 million. Furthermore, the Group notes that no increases are thus far envisaged to the overall projected costs of the CMP till 2013.

16. On the issue of possible options to finance associated costs for 2011 with a view to absorb them from its approved budget, the Group concurs fully with the recommendations of the ACABQ regarding the importance of addressing the issue of cash drawdown in a transparent and appropriate manner, without placing an additional financial burden on Member States

Mr. Chairman,

17. The Group looks forward to receiving more up to date information regarding the implementation of the capital master plan during the informals, especially in view of the delayed consideration of this item.

I thank you Mr. Chairman.