



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY
AMBASSADOR MOHAMED YOUSIF IBRAHIM ABDELMANNAN,
PERMANENT MISSION OF THE REPUBLIC OF THE SUDAN TO THE UNITED
NATIONS, ON AGENDA ITEM 118: PROGRAMME BUDGET FOR THE
BIENNIUM 2008-2009, CAPITAL MASTER PLAN, IN THE FIFTH COMMITTEE
OF THE GENERAL ASSEMBLY (New York, 4 March 2009)**

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 118, in particular on the Capital Master Plan.
 2. The Group wishes to thank the Executive Director of the Capital Master Plan, Mr. Michael Adlerstein; the Controller, Mr. Jun Yamazaki; the Under-Secretary-General for Internal Oversight Services, Mrs. Inga-Britt Ahlenius; and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), Ms. Susan McLurg, for their respective introductions of the reports of the Secretary-General, the Office for Internal Oversight Services and the Advisory Committee on this important item. The Group, furthermore, wishes to express its appreciation to Mr. Imran Vanker, Director of External Audit of South Africa and Chairman of the Audit Operations Committee of the Board of Auditors, for introducing the report of the Board of Auditors on the Capital Master Plan for the year ended 31 December 2007 (A/63/5 (Vol. V)).
 3. The Group of 77 and China has always been supportive of the Capital Master Plan to renovate the ageing and unsafe Headquarters of the United Nations in New York. We welcome the efforts made by the Executive Director of the CMP and his team to start the implementation of this complex project. It is reassuring that, for the first time, we can actually see the construction work around us as we discuss this issue in the 5th Committee. It would be desirable therefore for the Executive Director of the Capital Master Plan to be devoted entirely to this project and not be called upon to carry out unrelated construction work elsewhere in the world.
- Mr. Chairman,
4. The Group of 77 and China takes note of the status of implementation of the Capital Master Plan, as reflected in 6th annual report of the Secretary-General. In this regard, the Group would like to highlight some specific issues in this formal session.
 5. The Group welcomes the information that the cost of the Capital Master Plan is closer to the approved budget than at the time we discussed the 5th progress report. We are concerned, however, that delays in the fit-out and renovation schedules could result in a significant increase in costs. It is imperative to avoid further delays in the implementation of the project and to ensure compliance with the mandates of the General Assembly. Moreover, we concur with the ACABQ and the Board of Auditors observations on the importance of providing Member States with the most accurate estimate of the overall cost of the project, taking into account that the purpose of the progress reports as well as the regular briefings requested by the General Assembly in its resolution 62/87 is to update Member States on all aspects related to the implementation of the project, in particular on its costs.
 6. The Group of 77 and China is of the view that the advisory board requested in resolutions 57/292, 61/251 and 62/87 should be established as a matter of urgency. We look forward to having detailed information on the problems facing its establishment and to discussing ways and means to

overcome those problems. We believe that the Secretariat and Member States could benefit from the creation of the board, including by providing increased oversight over such a complex and expensive project. The Group also disagrees with the idea of modifying the mandate of the advisory board to discuss long-term space needs of the Organisation. In particular, we oppose the construction of a permanent building in the North Lawn, which would compromise the architectural integrity of the United Nations complex.

7. The Group of 77 and China looks forward to receiving more information on value engineering. While we note with appreciation the US\$100 million dollars in potential cost savings that resulted from the exercise, we would like to seek concrete assurances that any proposed action will not compromise the quality, durability and sustainability of the renovated materials and the original design of the Headquarters. More importantly, it should not compromise the commitment of the project to the highest standards of safety, health, and well-being of staff and delegations. The Group notes with deep concern the proposal of encapsulating asbestos instead of abating them.

8. The Group also considers that the Secretariat should not mix the savings accrued from value engineering and those from external market factors. Value engineering involves costs, which should be duly disclosed in order to allow for a proper cost-benefit analysis. The uncertain economic environment could reduce construction prices, but these should not be regarded as part of the value engineering exercise.

9. The Group of 77 and China also would like to seek further clarification on procurement activities related to the Capital Master Plan. We concur with the ACABQ that the 6th annual report contains little information on the concrete measures taken to increase procurement opportunities for vendors from developing countries and economies in transition. To say that information is being "widely communicated by all appropriate means" is not enough. It is important to know the specific measures taken and if they have been successful. In this regard, we regret that Skanska has not used any subcontractor from developing countries, and also that the report does not respond adequately to the requests of resolution 62/87 regarding subcontracting.

10. Also on procurement, the Group of 77 and China would like to receive more information on the application of the concept of "green" or "environmentally friendly procurement" in the Capital Master Plan. The Group recalls that, in paragraph 33 of its resolution 62/296, the General Assembly affirmed that it had not considered for approval the concept of environmentally friendly and sustainable procurement and requested a report on this issue at its 64th session. The use of such concept on CMP procurement contracts at this stage goes against United Nations rules and procedures and General Assembly resolutions governing procurement.

11. On the issue of the relations of the CMP with the host country, the G-77 and China notes that according to the sixth annual progress report on the implementation of the CMP, the Secretariat reached an understanding with the authorities of the host city and country, in January 2008, on how the Organization will apply voluntarily host city building, fire and safety codes, to the CMP and to the UN Headquarters, without prejudice to the privileges and immunities of the UN. In this regard, the G-77 and China notes with concern that the construction of doors decided by the Secretary-General and implemented by FMS at a cost of US\$2.7 million, as part of the compartmentalization project, did not comply with the pertinent General Assembly resolutions, especially at it relates to accessibility of staff, delegations, visitors and tourists at the UN and above all, to the provisions of accessibility established as the Convention on the Rights of Persons with Disabilities.

12. Regarding the relocation of the G-77 and China office suite on the 39th floor, we would also like to seek assurance from the Secretariat that adequate and suitable office space is provided to the

Group during the implementation of the capital master plan and after its completion. The Group intends to seek further information regarding this issue during the informals.

13. The Group of 77 and China also would like to examine donation policy that is being implemented by the Secretariat. We recognize the value of contributions made by Member States that have the resources to do so. On the other hand, it is important to ensure that the entire membership has the opportunity to make contributions toward the project, in order to preserve the universal character of the Organisation. We support the recommendation of the ACABQ that donations in kind should be accepted. We also request clarification on the minimum amount of US\$ 1 million for the donations. We feel that this undermines the principles set out in the UN Charter. We strongly recommend that the donation policy follows the practice for other voluntary contributions to funds and programmes, and that it should be left for Member States to decide the amount to be contributed to the CMP, taking into account that the cost for CMP will be covered by assessed contributions.

14. The Group of 77 and China notes with concern the proposed permanent elimination of 350 parking spaces. As may be recalled, the General Assembly, in its resolution 57/292, 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. The elimination of these parking spaces clearly contradicts the wishes of the membership. The Group also stresses that the General Assembly has the sole prerogative of deciding on any major change to the Capital Master Plan project, budget, and implementation, as stated in paragraph 28 of resolution 62/87.

Mr. Chairman,

15. The Group of G77 and China concurs fully with the recommendations and findings made by the Board of Auditors, which we wish to thank for the quality of their report. We wish to underscore the need for the expeditious and full implementation of those recommendations, in particular those related to keeping the economic assumptions on which cost estimates are based under constant review, as well as developing a scoreboard to track the implementation of the project and the respective costs and expenditures at any given time and we believe that such information shall be included in the forthcoming progress reports of the project.

16. On the financial matters, the Group fully agrees that there is a need for the Accounts Division and the Office of the Capital Master Plan to coordinate their actions, in order to improve financial information relating to the project and to jointly put in place a mechanism that directly links actual expenses and forecast expenses in order to make the management of the budget of the project reliable.

17. Moving to the reports on the associated costs, Mr. Chairman, we reiterate that the Fifth progress report of the Secretary-General A/62/364, dated 28 September 2007, mentioned that associated costs have not been included in the Capital Master Plan budget and will be presented, once fully identified, to the General Assembly for its consideration. The General Assembly expressed its concern in its resolution A/62/87 of 28 February 2008, that no specific information has been shared with Member States concerning associated costs, and requested the Secretary-General to include such information in his sixth annual progress report and to make every effort to absorb such costs within the approved budget of the capital master plan.

18. To the surprise of Member States, the Secretary-General wrote to the President of the General Assembly on 5 June 2008, almost three months after the adoption of the resolution A/62/87, to

inform him that failure to proceed with elements of the associated costs would delay the core capital master plan project. As a result, and pending consideration by the General Assembly of the Secretary-General's report on associated costs, a limited financial commitment authority in the amount of US\$9.5 million was established on 18 July 2008, drawing on the available cash balance in the capital master plan account. A further commitment authority in the amount of US\$9.8 million was established on 13 January 2009.

19. The Group believes that such practices could have been avoided. The Secretariat must have prepared an estimate of such costs, taking into account that the activities incurring those costs had been genuinely known to the Secretariat since the adoption of the General Assembly resolution A/60/282 by which it approved Strategy IV, effective 1 July 2006, and also taking into account that the accelerated Strategy had minimal impact, if any, on those requirements.

20. We concur with ACABQ in its observations that a number of the requirements listed in the report do not relate directly to the capital master plan but rather to ongoing capital improvements, and thus should not be considered as associated costs. We also agree, fully, that with almost four years remaining until the projected completion date of the capital master plan, it is premature to conclude that some or all of the associated costs cannot be absorbed within the approved project budget.

21. That said, the Group wishes to emphasize that the ACABQ recommendation to the Secretary-General to submit the estimated resource requirements for associated costs related to the project for the biennia 2010-2011 and 2012-2013 in the context of their respective budget proposals should be only limited to those costs dealing with ongoing capital improvements, and that those costs directly linked to the implementation of the capital master plan should be considered in the context of discussions of the Capital Master Plan, as recommended by the ACABQ in its report A/62/490, with a view to absorb them from its approved budget, in accordance with paragraph 43 of resolution A/62/87.

22. The Group of G77 and China, while looking forward to a detailed discussions on the relevant Secretary-General proposals, as well as the other relevant reports during the informal consultations on this important agenda item, wishes to underline its firm position against the suspension of the provisions for the application of credits under regulations 3.2 (d), 5.3 and 5.4 of the Financial Regulations and Rules of the United Nations to finance additional resources requirements. The Group expects the Secretariat to follow the existing financial rules and regulations in all its budgetary proposals. We also sincerely hope that the Secretariat will make every effort to absorb the resources requested in his report.

23. Finally, the Group also invites the Secretariat to consider practical measures to make the new UN premises smoke-free, in accordance with General Assembly resolution 63/8, for example, by creating special smoking areas, to respect the rights of smokers and non-smokers alike.

I thank you.