



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. LYLE DAVIDSON, COUNSELLOR OF THE PERMANENT MISSION OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS, ON AGENDA ITEM 132: PROGRAMME BUDGET FOR THE BIENNIUM 2014-2015: STRATEGIC CAPITAL REVIEW, AT THE FIRST PART OF THE RESUMED SIXTY-NINTH SESSION OF THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY (New York, 13 March 2015)**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 132: Programme budget for the biennium 2014-2015, in particular the Strategic Capital Review.

2. The Group of 77 and China wishes to thank Mr. Stephen Cutts, Assistant Secretary-General for Central Support Services, for his introduction of the report of the Secretary-General and Mr. Carlos Ruiz Massieu, Chairperson of the Advisory Committee on Administrative and Budget Questions (ACABQ), for his introduction of the related report.

3. The Group reaffirms the great importance attached to the consideration of the capital reviews to ensure safety and security as well as improving working conditions of the staff, delegates and visitors across all duty stations.

Mr. Chairman,

4. The Group has taken note of the progress made since the issuance of the previous report, including those related to the establishment of a framework and work methodology for the capital maintenance programme review for offices away from headquarters and regional commissions as well as development of the key organizational objectives for the capital methodology for assessing projects based on the key organizational objectives.

5. The Group notes that these developments formed the basis for establishing guidelines and benchmarks to ensure a consistent approach to collecting and reviewing the information on building and infrastructure and policies relating to facilities management.

Mr. Chairman,

6. The Group has further taken note of the phase two activities related to collection of data from offices away from headquarters and regional commissions where offices are owned by the United Nations, in particular those related to assessment of the conditions, operational and life-cycle replacement in accordance with the developed guidelines.

7. The Group of 77 and China has also taken note of the initiation of work related to phase 3 activities in November last year, in particular those related to data analysis by the consultants as well as development of the 20-year capital maintenance programmes based on methodology established.

8. The Group welcome the efforts related to the development of an extensive long-term capital maintenance programme, which would serve as a viable planning tool and facilitate the consideration and decision-making of Member States. We look forward to examining the specificity

proposed requirement in each duty stations during our informal consultations.

Mr. Chairman,

9. With regard to project governance and lessons learned, the Group would like to emphasise the need for the organisation to develop its existing in-house capacity and to avoid, to the extent possible, the use of consultancy in the management of the properties across all duty stations. The Group will request further information on planned activities in this regard.

10. The Group has carefully studied the information related to the comments, observation and recommendations of the Board of Auditors on capital budgeting as well as the use of the contingency funds during project implementation. While, in general, we share the views of the Board, we believe that this matter should be examined carefully and considered separately in each of the individual capital projects, taking into account best practices in the specific circumstances of each duty station as well as the magnitude of the capital project. The Group does not support a one-size-fits-all approach and will discuss these elements in detail during the informal consultations.

11. The Group is further of the view that each major capital project should be separately budgeted and assessed separately from the regular budget so as to ensure transparency and accountability. We believe that work undertaken to address health and safety risks as well as other minor improvements needs to be undertaken immediately without sequencing. The Group supports the need to clearly define the term "major" capital projects so as to ensure there are no unnecessary delays in capital improvements.

Mr. Chairman,

12. With regard to the linkages between the strategic capital review, other organisational initiatives and ongoing capital projects, the Group of 77 and China will seek information on the connection with Umoja and IPSAS implementation as well as flexible workspace strategies and the global service delivery model.

13. In conclusion, the Group of 77 and China would like to assure you of its readiness to engage constructively in the upcoming discussions with the aim of concluding this agenda item in a timely manner.

I thank you, Mr. Chairman.