



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY H.E. AMBASSADOR DUMISANI KUMALO, PERMANENT REPRESENTATIVE OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS AND CHAIRMAN OF THE GROUP OF 77 ON AGENDA ITEM 124: CAPITAL MASTER PLAN, TO THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY (New York, 24 April 2006)**

Mr Chairman,

I have the honour to speak on behalf of the Group of 77 and China after the adoption of draft resolution A/C.5/60/L.38 on agenda item 124: 'Capital Master Plan'.

The Group of 77 and China welcomes the adoption of this draft resolution because it recognizes the importance of proceeding with a sense of urgency with the implementation of the Capital Master Plan, which is the comprehensive plan to renovate and refurbish the ageing and unsafe United Nations Headquarters complex in New York.

The Group's endorsement of the immediate allocation of \$100.5 million for the design and pre-construction phases of the project is motivated by the need to ensure that the Headquarters complex is brought up to safety and security standards and continues to be a worthy icon of the world's pre-eminent multilateral organisation.

Mr Chairman,

The implementation of the Capital Master Plan has regrettably been repeatedly delayed by the collapse of many of the assumptions that initially underpinned it. For example, the New York State legislature refused to authorise the construction of a swing space facility on the Robert Moses Playground and refused to authorize the issuance of tax free bonds to build UNDC5, the Host country failed also to commit to the informal commitment and assurance given before the adoption of resolution 57/292 to provide an interest free loan as well as to renew even the disappointing interest bearing loan offer it had made. Rental and construction costs in the Host city also continue to rise.

The delays in the implementation of the Capital Master Plan have dramatically escalated costs at a time when the United Nations is facing rising demands for its humanitarian and peacekeeping missions and is expected to help address massive development, environmental and security challenges worldwide.

The Group of 77 and China was therefore deeply distressed when the Host country was unable to join the consensus to approve the full allocation of funds requested by the Secretary-General and held up the adoption of the resolution by several weeks. The Group felt that the arbitrary allocation of \$23.5 million proposed by one delegation would not have been sufficient to allow the United Nations to move forward on schedule with the critical lease obligations and commitments for the pre-construction work. The Group also noted with deep concern Assistant Secretary-General Reuter's estimate that the cost of the Capital Master Plan escalated \$225,000 each day that the adoption of the resolution was delayed.

Mr Chairman,

The Group wishes to reiterate its position that it expects the Host country to shoulder its responsibilities towards the United Nations and to commit itself fully to the timely implementation of the Capital Master Plan.

The Group also recalls paragraph 30 of resolution A/RES/57/292, which requests the Secretary-General to take the need to continue exploring ways to increase procurement opportunities for vendors from developing countries and countries in transition into consideration during the implementation of the Capital Master Plan. In the discussions leading to the adoption of the resolution, the Group expressed concern over the narrow formulation of the tender for the contract to hire a construction management firm for the Capital Master Plan. The Group believes that the tender may favour construction experts from developed countries and also has misgivings regarding the manner in which the tender was advertised. The Group therefore calls on the Secretary-General to take measures to ensure that the Capital Master Plan is implemented in a manner that respects the multinational nature of this Organisation.

Mr Chairman,

Following the adoption of the resolution before us, the Capital Master Plan team is in a position to proceed - in a strategy neutral fashion - with critical design and pre-construction work. However, Member States will soon be called upon to take a decision on the scope option and financing mechanisms for the actual construction phase of the project.

For its part, the Group of 77 and China is committed to revisiting the scope and financing aspects in the second resumed session of this Committee. The Group therefore looks forward to receiving a more comprehensive business analysis proposal on the possibility of constructing a new permanent building on the North Lawn, which would help Member States decide on the scope option.

I thank you, Mr Chairman.

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