



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR LYLE DAVIDSON, COUNSELLOR AT THE PERMANENT MISSION OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS ON AGENDA ITEM 133: PROGRAMME BUDGET FOR THE BIENNIUM 2014-2015: CAPITAL MASTER PLAN, AT THE MAIN PART OF THE SEVENTIETH SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 27 October 2015)

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 133: programme budget for the biennium 2014-2015, in particular the Capital Master Plan.

At the outset, the Group would like to thank Mr. Yukio Takasu, Under Secretary-General for Management, for introducing the thirteenth annual progress report of the Secretary-General on the Capital Master Plan, as contained in document A/70/343. We would also like to thank Mr. Salhina Mkumba, Director of External Audit from the United Republic of Tanzania and Chair of the Audit Operations Committee for introducing the related report of the Board of Auditors as contained in document A/70/5 (Volume 5). The Group would further like to thank Mr. Carlos Ruiz Massieu, Chair of the Advisory Committee on Administrative and Budgetary Questions, for introducing its related report as contained in document A/70/441.

Mr. Chairman,

The Group of 77 and China has been a strong supporter of the modernization of the United Nations facilities across the global, in particular the Capital Master Plan, so as to improve the health and safety of the occupants, as well as to enhance the working environment of both staff and Member States. Consideration of the progress on this agenda item, therefore, remains a priority for the Group.

The Group of 77 and China welcomes the report of the Board of Auditors which continues to provide valuable observations and recommendations for scrutinizing and understanding the implementation of the CMP. The Group also appreciates the comments and recommendations of the Advisory Committee in this regard.

With regard to the projected final cost of the project, we share the view of the Advisory Committee and the Board of Auditors that, while the anticipated cost overrun appears to have been reduced to 65 million dollars, this is at the expense of delivering a significantly reduced project scope for renovations of three buildings instead of five, and at a higher cost than originally planned.

The Group would like to express its concern at the omission or misrepresentation of a number of costing parameters in the report, including those related to the relocation of functions of the Library and South Annex buildings. We are also concerned about the reallocation of funds to cover shortfalls of the CMP from other budget lines, particularly the use of funds allocated to cover shortfalls in insurance claims from Storm Sandy.

The Group also notes that the project still faces risks of potential additional costs during the close-out of remaining contracts, including through change orders and potential claims from contractors.

The Group will seek clarity in this regard during our informal consultations.

Mr. Chairman,

The Group of 77 and China notes with concern that the benefits claimed as realized by the CMP, namely, a minimum 50 per cent reduction in energy consumption, a 45 per cent reduction in greenhouse gas emissions related to energy consumption and a 40 per cent reduction in fresh water consumption, are projections based solely on engineering models and have not been substantiated. It is of concern that the Organisation is unable to monitor and report on the relevant data despite all the upgrades and cannot validate the benefits reported on.

The Group would like to emphasise that all the quantifiable benefits reportedly derived from capital projects should be substantiated and we look forward to receiving information on planned as well as actual project benefits in the next annual progress report and in the final report on the implementation of the capital master plan.

Mr. Chairman,

The Group believes that the Organisation should be taking note of the lessons learned in the implementation of the CMP for ongoing and future capital projects. In this regard, the Group has a keen interest in the paper developed by the Board of Auditors drawing on its work on the project for the past 11 years and a wider knowledge of best practice, especially in the issues identified, as well as their application to ongoing and future capital projects. In this regard, the Group supports the development of guidelines for the management of capital projects.

The Group has taken note of the information provided on the project schedule and scope, and while we are mindful that the Office of the CMP has been closed, we would like to stress that the project itself has not been closed as a number of key elements of the project are yet to be completed, including remedial work and demolition of the North Lawn Building. In this regard, the Group shares the views of the Board of Auditors that the CMP is an ongoing project. In this regard, the Group emphasizes the need to address the omissions and rectification of all errors identified by Member States, including those related to physical and technical accessibility, improvement of the video conferencing infrastructure and power sockets. The project cannot be considered completed until all these are rectified. The Group is also concerned that the buildings renovated under the CMP appear to be the subject of further redesign and reconfiguration plans at additional cost to Member States.

The Group will seek further information during our informal consultations on the estimated versus actual number of personnel retained by the Office for Central Support Services from the Office of the CMP.

Mr. Chairman,

The Group of 77 and China notes with concern the continued delay in the demolition of the North Lawn Building and the subsequent landscaping work and emphasizes the need to complete these as a matter of priority. The Group further notes with concern the continued lack of clear information on the cost of the deconstruction and landscaping activities and will seek clarity on this matter during our informal consultations.

The Group would like to emphasize the need for a timely presentation of the separate proposals for the renovation of the Dag Hammarskjöld Library and the South Annex. The Group stresses the need to ensure the safety of the personnel working in the buildings, including those in the

basement in the Printing Unit. The Group will be interested to receive updates on the consultations between the Secretary-General and high-level officials of the Host Country on the issues related to renovation of the service entries on 42nd and 48th streets.

Mr. Chairman,

In conclusion, the Group would like to assure of our readiness to engage constructively on this matter during our informal consultations.

I thank you, Mr. Chairman.