



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MS. KAREN LOCK, PERMANENT MISSION OF SOUTH AFRICA TO THE
UNITED NATIONS, ON THE CAPITAL MASTER PLAN UNDER AGENDA
ITEM 117: PROGRAMME BUDGET FOR THE BIENNIUM 2006-2007,
IN THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY
New York, 30 November 2006**

I have the honour to speak on behalf of the Group of 77 and China on agenda item 117, in particular on the Capital Master Plan.

The Group wishes to thank the Acting Under-Secretary-General for Management, Mr. Warren Sach, and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), Mr. Rajat Saha, for their respective introductions of the reports of the Secretary-General and the Advisory Committee on this important item.

Mr. Chairman,

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. The implementation of the Capital Master Plan has regrettably been repeatedly delayed by the collapse of many of the assumptions that initially underpinned it. As stated before, it is regrettable that the host country has failed to provide possibilities to facilitate this process, either by enabling the construction of a swing space building or by providing an interest free loan, especially when considering the benefits being accrued by hosting the Headquarters. We consider, nevertheless, that the time has come to take action on a financing strategy and to avoid further delays that could lead to further cost escalations.

The Group of 77 and China wishes to stress the importance of avoiding further delays resulting not only in cost overruns, but also because of the constraints posed to Member States in their participation at future meetings, bearing in mind, that there will be loss of space for seating and for collateral meetings, such as bilateral consultations, during future general debates of the General Assembly.

We welcome the comprehensive fourth annual report of the Secretary-General on the Capital Master Plan, and we appreciate that the Plan has incorporated further options to provide greater security at the Headquarters in the renovation of the structure.

Mr. Chairman,

The Group of 77 and China notes that the General Assembly in its resolution 60/282 recognized that the simplest way to finance the project is through direct assessments. We note the assessment options described by the Secretary-General in his

report, and we are confident that the Committee will be able to agree upon one of these options during the ensuing consultations.

We note that, according to the report of the Secretary-General, construction industry practice requires that the United Nations demonstrates full financial capability to complete the project. In this context, the Group will seek further clarification on the establishment of a credit facility during the informal consultations on this matter.

We also wish to underline that General Assembly resolution 60/282 requested the Secretary-General to find ways to increase procurement opportunities for vendors coming from developing countries and we will follow up on this concern during the informal consultations.

Mr. Chairman,

As delegations are aware, one of the primary considerations in the adoption of the comprehensive approach to the renovation of the United Nations Headquarters was that the building would be completely vacated due to concerns for health and safety hazards. With the failure of the DC5 option and the now phased approach, we have to reiterate those initial concerns. The Group hopes that all the safety measures and precautions, as were assured, will in fact be implemented. There is still the issue of the creation of an advisory board requested and subsequently reiterated by the General Assembly but on which the required action remains outstanding.

In addition, the report of the Board of Auditors, as the ACABQ has pointed out, made several recommendations, specifically referring to the need for the project to be aligned with the United Nations Procurement Manual. We will seek clarifications on these and other issues during the informal consultations.

The safety and well-being of our international civil servants are of the utmost importance to the Group. We, consequently, look forward to an expeditious conclusion of deliberation by this Committee on this important and long overdue issue.

I thank you, Mr. Chairman.