



Permanent Mission of Japan to the United Nations

866 United Nations Plaza, New York, N.Y. 10017 Phone: (212) 223-4300 · www.un.int/japan/

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Statement by Mr. Ken Mukai
First Secretary, Permanent Mission of Japan to the United Nations
On the Capital Master Plan

Fifth Committee
November 30, 2006

Thank you, Mr. Chairman.

Let me begin by thanking the Acting Under-Secretary-General, Mr. Warren Sach, for his introduction of the report of the Secretary-General on the Capital Master Plan (A/61/549), and the Chairman of the ACABQ, Mr. Rajat Saha, for the report of the Advisory Committee (A/61/595).

My delegation also would like to express its sincere appreciation for all the work the CMP office has done.

We understand the importance and urgency of the Capital Master Plan. Clearly, it is necessary to have a safe and secure environment for delegates and staff working at United Nations Headquarters. We therefore need to look at the Secretary General's report very carefully.

As we proceed with the renovation of the working environment, however, we must be diligent about containing costs. Since our resources are not infinite, we have to ensure that work is carried out in the most cost-effective manner. We are ready to discuss the projected costs, including scope options, as long as they are reasonable, but we regret that delays have substantially increased the total expense to 1.8767 billion US dollars.

As is pointed out by the Advisory Committee, we look forward to receiving additional details on the scope options. We also would like the Secretariat to give us more persuasive reasons for their increased cost.

My delegation understands that the main objective of this meeting is to discuss the proposed funding plan, which is based on the agreed strategy IV. The most pressing task for us is to arrive at a stable and practical plan, since the UN will

need to make payments to construction companies over many years. First and foremost, therefore, we should aim at establishing sufficient cash flow, taking into consideration the fiscal year and financial situation of Member States, and based on a flexible and practical assessment plan. Both of these elements to make sure the Organization has sufficient cash are essential to the smooth implementation of the Capital Master Plan.

We fully agree with the Secretary General that it will be necessary for Member States to decide on one of the suggested assessment options. My delegation would strongly support the mix of one-time and multi-year assessments, since, at the moment, we are looking into the feasibility of both. As is pointed out in paragraph 13 and 14 of the ACABQ report, if we follow the mix option, we would need to make a decision on the issue of gains and losses that may occur as the scale of assessments changes. My delegation is of the view that we should pursue the mix option in such a way as to enable us to secure sufficient cash in the most practical manner and based on the most appropriate schedule, and also in such a way as to make it less likely that we would need to use a letter of credit. In this connection, one-time payment could be useful. It would help the Organization avoid a cash-flow deficit, minimize the need to use credit facilities, and offer Member States discounts made possible through future interest earnings.

In the case of multi-year payment, it would be preferable to select the five-year payment option. We would also strongly request that due consideration is taken of each country's budgetary cycle by adjusting the schedule for issuing assessments.

My delegation has some other comments to make, such as the conditions for establishing credit facilities, the need for calculating credit utilization charges on a monthly basis, and the schedule for phasing out of the working capital reserve. We will do so at the informal sessions.

I would like to conclude by saying that Japan looks forward to working with other Member States and the Secretariat on this project which is obviously of such importance to us all.

I thank you, Mr. Chairman.