



# General Assembly

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Sixtieth General Assembly  
Fifth Committee  
47<sup>th</sup> Meeting (AM)

### **BUDGET COMMITTEE RECOMMENDS \$23.5 MILLION FOR DESIGN,**

### **PRE-CONSTRUCTION PHASES OF CAPITAL MASTER PLAN**

### **Postpones Action on Management Reform Draft Text until 27 April**

In an effort to move forward with plans to renovate the United Nations Headquarters complex, the Fifth Committee (Administrative and Budgetary) today recommended that the General Assembly appropriate \$23.5 million for financing the design and pre-construction phases, including swing space requirements for relocating staff for the time of the refurbishing.

By the text on the Capital Master Plan that was approved without a vote, the Assembly would decide that the appropriation of that amount be financed through assessment of Member States on the basis of the regular budget scale of assessments for this year.

For the whole 2006-2007 biennium, the Secretary-General would be authorized to enter into commitments of up to \$77 million to provide for the construction, fit-out and related requirements of a conference swing space building on the North Lawn of the Headquarters complex, and for the leasing, design, pre-construction services and related requirements of library and office swing space. Also authorized by the draft would be the lease commitments needed for the implementation of the Plan.

In other action today, and following the request of the European Union, the Committee decided to continue consultations on a draft resolution pertaining to management reform and come back to the matter in a formal session on Thursday. Several delegations agreed that there was no consensus on the text at the present time and cited the need for more time for discussions. While expressing his willingness to go along with the Committee's decision to come back to the matter in a few days, the representative of the United States stated that no one should have any illusions as to the results of further consultations.

Introducing the draft resolution in question, entitled "Investing in the United Nations: for a stronger Organization worldwide", South Africa's representative, who had hoped that a decision would be taken on the matter today, said the "Group of 77" developing countries and China had worked for more than two weeks to produce a balanced draft that represented the interests of Member States and supported the ongoing efforts to reform the United Nations. The Group was committed to a more effective, efficient and accountable United Nations.

The text, he said, would request three reports on reform that the Secretary-General would provide to the Assembly in May, June and September, elaborating on a variety of reform proposals, including the recruitment and retention of highly qualified staff, improvement of working conditions for staff, increased training, improvement of technology and improvement of procurement. All Member States supported the issuance of the reports and their dates of release as more information was needed to make critical decisions.

It had become clear, he added, that there was a wide divergence of views in some areas that touched on the role and prerogatives of Member States in the Assembly. Those issues were not related to management reform of the Secretariat. He stressed that every Member State had an equal say in the decision-making process of the Organization and that right was not conditioned on a State's budget contributions.

United Nations Controller Warren Sach also made a statement today, as did the representatives of Brazil, New Zealand, Japan and India.

The Committee will hold its next meeting on Thursday, 27 April.

### Background

The Fifth Committee (Administrative and Budgetary) met this morning to conclude the work of the first part of its resumed session. It was expected to take action on three draft resolutions, relating to the Capital Master Plan, management reform, and questions deferred for future consideration, respectively.

### Action on Texts

The Committee first took up the draft resolution contained in document A/C.5/60/L.38 entitled Capital Master Plan, which would have the General Assembly appropriate \$23.5 million for financing the design and pre-construction phases, including swing space requirements for relocating staff for the time of the refurbishing. The Assembly would also decide that the appropriation of that amount be financed through assessment of Member States on the basis of the regular budget scale of assessments for this year.

Controller WARREN SACH said that, after adoption of the General Assembly resolution, \$23.5 million will be assessed on Member States. He said the commitment authority of \$77 million would let the Capital Master Plan project move ahead with procurement activities and enter contracts without prejudicing an upcoming decision in May on the selection of Strategy II or Strategy III.

The approval of the \$77 million commitment authority would not impede the project's critical path, and most expenditures would be incurred in the final quarter of this year. If the commitment authority has not been appropriate and assessed at this time, available cash resources will be deployed from existing reserves to meet payment needs.

The representative of the United States said his delegation appreciated the efforts of Assistant Secretary-General Fritz Reuter and his team to find ways to implement the Plan in the most effective manner possible. The United States wanted to ensure a safe and secure environment for staff and delegates at Headquarters. The United States was prepared to agree to the \$23.5 million appropriation so the office responsible for the Plan could continue with its work until the Assembly decided on the Plan's strategy. He hoped it would be possible to reach a decision on the strategy during the Committee's second resumed session. His delegation would dissociate itself from the consensus today on the matter.

He added that he hoped others would support the efforts of the New York City Fire Department to obtain the floor plans of the Headquarters building, so it could come to assistance as expeditiously as possible in the case of an emergency. Inexplicably, the Secretariat would not release those plans to the Fire Department, which he believed put everyone in danger.

The Committee adopted the draft resolution on the Capital Master Plan without a vote.

Welcoming the adoption of the text, the representative of South Africa, speaking on behalf of the "Group of 77" developing countries and China, said the Group's endorsement of the immediate allocation of \$100.5 million for the design and pre-construction phases of the project was

motivated by the need to ensure that the Headquarters complex was brought up to safety and security standards and continued to be a worthy icon of the world's pre-eminent multilateral organization.

He said the implementation of the Capital Master Plan had regrettably been repeatedly delayed by the collapse of many of the assumptions that initially underpinned it. The delays in the implementation of the Plan had dramatically escalated costs at a time when the United Nations was facing rising demands for its humanitarian and peacekeeping missions and was expected to help address massive development, environmental and security challenges worldwide.

He 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 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 Plan escalated \$225,000 each day that the adoption of the resolution was delayed.

The Group, he said, expected the host country to shoulder its responsibilities towards the United Nations and to commit itself fully to the timely implementation of the Plan. Also, he noted that in discussions leading to the adoption of the resolution, the Group had expressed concern over the narrow formulation of the tender for the contract to hire a construction management firm for the Plan. The Group believed the tender might favour construction experts from developed countries and also had misgivings regarding the manner in which the tender was advertised. Therefore, he called on the Secretary-General to take measures to ensure that the Plan was implemented in a manner that respected the multinational nature of the Organization.

He was committed to revisiting the scope and financing aspects in the second resumed session of the Committee, and looked 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.

The representative of Brazil said that Mr. Reuter had recently met in Rio de Janeiro with Oscar Niemeyer, the last remaining member of the team that designed the Headquarters complex. He would like to hear from Mr. Reuter on that visit at some point.

The Committee turned to the resolution on "Investing in the United Nations: for a stronger Organization worldwide" (document A/C.5/60/L.37/Rev.1).

Stressing the need for Member States to participate in the budget preparation process at all stages, the resolution requested the Secretary-General to define accountability, as well as clear accountability mechanisms, in the context of the reports requested in the resolution.

The resolution asked for several reports that would elaborate on a variety of reform proposals, including the recruitment and retention of highly qualified staff, improvement of staff working conditions, strengthening of leadership, increased training, the improvement of information and communication and technology systems, and enhanced procurement procedures.

The draft resolution asked for detailed explanation and concrete examples of how reform proposals will correct deficiencies and make the Organization's work more effective. It also emphasized the importance of providing Member States with the information needed to make well informed decisions and reaffirmed further that no changes to the budget methodology, established budgetary procedures or the financial regulations could be implemented without prior review and approval by the General Assembly.

On behalf of the Group of 77 and China, DUMISANI KUMALO ( South Africa) introduced the text requested that action be taken today.

He said that the Group had worked for more than two weeks to produce a balanced draft that represented the interests of Member States and supported the ongoing efforts to reform the United Nations. The Group was committed to a United Nations that was more effective, efficient and accountable. He added that any attempt to exclude Members of the United Nations from contributing to the reform process contradicted the spirit of the Organization.

The Group of 77 was anticipating the three reports on reform that the Secretary-General would provide to the General Assembly in May, June and September. He added that all Member States supported the issuance of the reports and their dates of release, as more information was needed to make critical decisions. He said the three reports would elaborate on a variety of reform proposals, including the recruitment and retention of highly qualified staff, improvement of working conditions for staff, strengthened leadership, increased training, improvement of technology and enhancement of procurement.

The Group of 77 was on record as strongly supporting the strengthening of oversight and accountability within the Organization, including such steps as an ethics office, a whistle-blower policy and increased auditing activities.

During the negotiations, it became clear that there was a wide divergence of views in some areas that touched on the role and prerogatives of Member States in the General Assembly that were clearly enshrined in the Charter, he said. He added that those issues were not related to management reform of the Secretariat. The Group of 77 and China had noticed that there was a deliberate move to give a wider interpretation to paragraphs 162 and 163 of the Outcome Document, with attempts to introduce extraneous issues that had been rejected during the Summit negotiations.

He added that to suggest that a "small but representative group of Member States" could replace the role of all Members States in carrying out the oversight responsibilities of the General Assembly was to deny every Member of the United Nations the role due to them.

He stressed that every Member State had an equal say in the decision-making process of the Organization and that right was not conditioned on a Member States budget contribution.

Following the introduction of the draft, a discussion ensued on whether to take action on the matter today or suspend for further consultations with the hope of reaching consensus. The representative of Austria, on behalf of the European Union, said that while consensus was the wish of the Union, the draft resolution did not meet with the consensus of the Union and other major players. Since more time was needed to reflect with other partners, he requested a suspension of the meeting and left it to the Chairman to find a formula for doing so, that could be accepted by everyone. Asked to clarify if he was indeed calling for a no-action motion on the text, he said that he was not doing so, but simply asking for more time for discussions. The request for more time was also supported by New Zealand, which did not believe it was possible at present to reach consensus.

The representative of Japan noted that delegations had worked tirelessly to reach a consensus resolution. Reflecting on the discussions of last week, he felt there were significant areas where divergent views existed. He requested that the promoters of the text not pursue action at the present time, as the text did not enjoy broad consensus and action today might lead to unknown consequences in the future. He was particularly concerned with the consequences of taking action that was likely to be divisive. If the promoters of the text would concur with that approach and put the draft on hold, he requested the Chairman to report to the Assembly President on the status of discussions on the matter in the Fifth Committee and then resume the matter in the second resumed session.

The representative of the United States said he also believed there was no consensus on the draft. The terms by which the Secretary-General's report was referred to the Fifth Committee provided that it was the understanding of the Assembly President that, if the Fifth Committee acted before 18 April, that action would be considered by the General Assembly. If it was not acted on by that date, then the matter would be returned to the plenary of the Assembly. It was now past the 18

April deadline. If the Committee followed Japan's suggestion, then the Fifth Committee was discharged of the issue and it was now back in the hands of the Assembly.

He added that one of the reasons for the deal with the Assembly President was to ensure a "snap-back" mechanism to ensure that the matter would return to the Assembly. If it was the will of the Fifth Committee to go for another 48 hours, he was willing to go along with that, but no one should have any illusions as to the results of further discussions.

The representative of South Africa again requested that action be taken on the resolution today, a request that was also supported by India. He added that, if the Committee decided to come back to the resolution later, the discussions in the next 48 hours would be on the basis of the text introduced today.

Committee Chairman JOHN ASHE (Antigua and Barbuda) reported that he had met with the Assembly President last week, at which time it was concluded that the original deadline of 18 April was unrealistic and more time would be needed to consult on the issue and to allow the Committee to conclude its work. He proposed that the Committee suspend consideration of the matter to allow for further consultations and resume in a formal session on Thursday.

The Committee decided to resume in a formal session on Thursday.

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