



Statement on behalf of the Member States of the European Union

By

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Delegation of the European Union to the United Nations

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Capital Master Plan (CMP)

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Mr. Chairman,

Merci Mr le President de me donner la parole en cette journée internationale de la Francophonie.

I have the honour to speak on behalf of the Member States of the European Union.

The Candidate Countries Montenegro* and Serbia*, the countries of the Stabilisation and Association Process and potential candidates Albania and Bosnia and Herzegovina, as well as Georgia, align themselves with this statement.

At the outset, I would like to thank Under Secretary-General Mr. Takasu for the update of the eleventh annual progress report on the implementation of the Capital Master Plan and the updated information on final expenditure for associated costs for 2008 to 2013. I would also like to thank Mr. Ruiz Massieu, Chairman of the Advisory Committee on Administrative and Budgetary Questions, for introducing the related report of that Committee.

Mr. Chairman,

In this last stage of the project, with the General Assembly Hall to be completed in time for the general debate in 2014, the Member States of the European Union have been and continue to be strong supporters of the Capital Master Plan and its mission to manage the historic renovation of the United Nations Headquarters.

Allow me however to underline a few points which are of particular concern to us:

(1) the project schedule, (2) the financial position of the project and (3) lessons learned in view of other upcoming major construction projects.

Project schedule

* Montenegro and Serbia continue to be part of the Stabilisation and Association Process.

We note with deep concern that the projected completion timeline for the Capital Master Plan project is postponed by one year. In this regard, we agree with the Advisory Committee on Administrative and Budgetary Questions' recommendations and request the Secretary General to provide us with explanations for the newly disclosed delays related to the work at the 42nd and 48th street entrances, and to report on his plans for the management and supervision of this work, including possibilities of reducing the projected 18-month work schedule. We would also like to ask for further information regarding delayed handover activities to the Office of Central Support Services, and for confirmation of the timing for the closure of the Office of the Capital Master Plan in the twelfth annual progress report on the implementation of the project. In the meantime, we trust the Secretariat will do its utmost to stick as closely as possible to the initial timeline, without any additional costs.

Financial situation of the project

The Member States of the European Union have expressed their concerns several times about the project cost over-runs, which amounts to approximately 26 per cent over the approved budget of \$1.876 billion, including the \$155 million of associated costs and secondary data centre, and the need to ensure strict financial management of any capital project. We recall that Member States already consented to an important financial effort when they agreed to use the interest accumulated in the working capital reserve fund.

Now, we understand that the project is at an important juncture with a cash balance at hand that is expected to be utilised towards the end of June. We look forward to engaging in constructive discussions on how to ensure the project's continuity and its timely completion, while ensuring we receive a full and complete picture of expenditures before taking final decisions on funding, including the most-up-to-date information on the final expenditures regarding the on-going activities related to the closing of accounts.

Mr. Chairman,

With regard to the Dag Hammarskjöld Library and the South Annex Buildings, we concur with the Advisory Committee on Administrative and Budgetary Questions that feasible alternative options for the locations of the functions currently housed in the South Annex

and Dag Hammarskjöld Library Buildings that are independent of the long-term Headquarters accommodation requirement still need to be submitted to the General Assembly, as it is now clear that the initial scheme is no longer viable. The funding of these options should be clarified. Finally, we share the views of the Advisory Committee on Administrative and Budgetary Questions that the Office of the Capital Master Plan be phased out with the completion of the remaining activities of the project (currently revised to conclude by November 2015), and not be extended for the planning and management of future solutions for these two buildings.

Lessons learned

There has always been strong agreement in the Fifth Committee on the need for the Secretariat, as a matter of priority, to present a clear plan on lessons learned regarding the Capital Master Plan. All major capital expenditure projects should be held to a very high level of scrutiny before decisions can be taken or a major phase can be initiated during the project life cycle. A robust governance structure and oversight mechanisms to increase accountability are prerequisites in this regard. Lessons learned should inform the planning and implementation of future large-scale capital projects. Issues that deserve thorough attention in a lessons learned exercise are occupancy levels before and after renovation, as well as flexible working arrangements, swing-space related matters and the budgeting of possible so called associated costs.

Mr. Chairman,

These and other relevant issues require a thorough discussion in the Fifth Committee. Please rest assured that we - as always - will engage constructively with all stakeholders in our discussions in order to ensure the continued effective and efficient management of the Capital Master Plan until its completion.

Thank you.