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**Agenda item 141**  
**Proposed programme budget for 2021**

**Eighteenth annual progress report**  
**on the implementation of the capital master plan (A/75/302)**

**FIFTH COMMITTEE**

Statement by

Mr. Chandramouli Ramanathan  
Assistant Secretary-General, Controller  
23 November 2020

Mr. Chairman,  
Distinguished delegates,

1. I have the pleasure to introduce the Secretary-General's eighteenth annual progress report on the implementation of the capital master plan (A/75/302) submitted in accordance with General Assembly resolution 57/292. You will note that the only remaining actions relate to the two litigation cases with the construction manager for the project that the Organization has been engaged in. Each of the proceedings arose from claims filed against the contractor by one of its subcontractors.

2. I am pleased to report that the arbitration case involving the construction manager and its mechanical systems subcontractor was concluded and that the tribunal rejected all of the construction manager's substantive claims and decided that it had to reimburse \$550,000 of the costs incurred by the United Nations in defending the claim. With regard to the second, larger, arbitration case involving the construction manager and its electrical subcontractor, the first of three phases was also finalized. According to the arbitral decision, the United Nations is required to pay the contractor \$3.2 million of the \$17 million originally at issue. This amount will be paid from the cash balance available in the account of the capital master plan. The Office of Legal Affairs is working with an outside counsel to assess the overall financial obligation of the

Organization that is likely to result from the remaining two phases, considering the reasoning of the tribunal for phase one.

3. The report provides consumption data for all utilities in 2007, before the capital master plan was implemented, and in 2016 and 2017, after the decommissioning of the North Lawn Building. The comparison shows that the capital master plan exceeded its objective to achieve quantifiable benefits in utility consumption through improved environmental performance. Changes in usage after 2017 cannot be directly attributed to the capital master plan as the organization continuously seeks efficiencies in operating the facilities and other factors, such as the occupancy of the Secretariat building, affect consumption.

4. Finally, I am pleased to report that out of the nine remaining recommendations of the Board of Auditors at the time of writing of the report, seven have been subsequently closed.

Thank you, Mr. Chairman.