



**Agenda item 137  
Programme budget for 2021**

**Nineteenth annual progress report  
on the implementation of the capital master plan (A/76/288)**

**FIFTH COMMITTEE**

Statement by

Mr. Chandramouli Ramanathan  
Assistant Secretary-General, Controller  
5 November 2021

Mr. Chairman,  
Distinguished delegates,

1. I have the pleasure to introduce the Secretary-General's nineteenth annual progress report on the implementation of the capital master plan (A/76/288) submitted in accordance with General Assembly resolution 57/292. You will note that the only remaining action relates to one arbitration case with the construction manager for the project that the Organization has been engaged in. The arbitration proceeding arose from claims filed against the contractor by one of its subcontractors.
2. As reported in the previous progress report, the arbitral tribunal issued a final decision for the first phase in June 2020, which resulted in a net payment by the United Nations to Skanska and the settlement of retainage to subcontractors, totaling \$3,607,800. The Office of Legal Affairs is working with outside counsel to determine the Organization's approach with respect to the remaining two phases, considering the reasoning of the arbitral tribunal for the first phase. A hearing on the merits of the second phase of the case is currently scheduled for May 2022. The required expenditure for attorneys' fees and arbitral expenses is difficult to estimate at the present time, but is not expected to exceed \$600,000 for the period between 1 July

2021 and 31 December 2021, to be funded from the liquidation of commitments held pending the resolution of all legal proceedings.

3. Finally, regarding the nine remaining recommendations of the Board of Auditors, please note that at the time of writing of the report seven have been closed and two are under implementation, pending the outcome of the ongoing arbitration case.

Thank you, Mr. Chairman.