



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA  
BY AMBASSADOR BOUBACAR DIALLO, G-77 COORDINATOR, PERMANENT  
MISSION OF THE REPUBLIC OF GUINEA TO THE UNITED NATIONS, ON  
AGENDA ITEM 137, PROGRAMME BUDGET FOR 2021: CAPITAL MASTER PLAN,  
AT THE SEVENTY-SIXTH MAIN SESSION OF THE FIFTH COMMITTEE OF THE  
UN GENERAL ASSEMBLY  
(NEW YORK, 5 NOVEMBER 2021)**

**Mr. Chair,**

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 137, Programme budget for 2021: Capital Master Plan.
2. At the outset, the Group would like to thank Mr. Chandramouli Ramanathan, Assistant Secretary-General, Controller for introducing the nineteenth annual progress report of the Secretary-General on the implementation of the Capital Master Plan and Mr. Abdallah Bachar Bong, Chair of the Advisory Committee on Administrative and Budgetary Questions, for introducing the related report.

**Mr. Chair,**

3. The Group of 77 and China notes that currently, all construction work and related administrative close-out activities have been completed, except for liabilities related to the remaining one arbitration case. The Group acknowledges with appreciation the efforts made by the Secretary General that culminated to the successful conclusion of the second arbitration case last year and the subsequent reimbursement of \$750,000 to the organisation.
4. The Group also recalls that the approved funding for the Capital Master Plan project amounts to \$2,150.4 million and that the final consolidated requirement remains at same level of funding or \$2,309.3 million if the portion funded by the support account for peacekeeping operations is taken into consideration. The Group notes that as at 30 June 2021, the cumulative expenditure incurred on the project amounted to \$2,150.4 million.

**Mr. Chair,**

5. The Group is seriously concerned that once again, the financial close-out of the capital master plan project will be delayed due to the ongoing arbitration case, with the resultant legal fees estimated at \$600,000 for the period from July to December 2021. This will as a result escalate the estimated cumulative expenditure for the legal expenses by the end of December 2021 to \$7,327,300. This is indeed a very worrying trend.
6. The Group commends the efforts being made by the Office of Legal Affairs in actively defending the interests of the Organization in the arbitration proceedings to prevent the

Organization from incurring avoidable expenses. However, the Group concurs with the recommendation by the Advisory Committee that the Secretary General should assess how to mitigate the costs of ongoing proceedings and to limit the financial liability of the Organization to the fullest extent possible. The Group looks forward to receiving more information and clarification on the arbitration proceedings during the informal consultations.

7. With respect to the status of implementation of the new energy management tool, the Group notes that the project has been delayed to the third quarter of 2022 due to the liquidity crisis and the COVID-19 pandemic. In addition, the Secretary General has reported that the upon further review, it proved to be technically difficult and significantly more costly to install a new energy management tool without first completing the other required upgrades, including information technology security upgrades, to the underlying system. The Group of 77 and China seek detailed information regarding this project, including its implementation and timelines during the informal consultations.

**Mr. Chair,**

8. The Group also takes note of the status of the implementation of the recommendations of the Board of Auditors provided in the nineteenth annual progress report and observes that seven of the nine pending recommendations have been implemented and subsequently closed by the Board of Auditors. The remaining two recommendations are pending the outcome of the ongoing arbitration case and the completion of the project to bring the United Nations Headquarters facilities to the 2010 Americans with Disabilities Act (ADA) Standards for Accessible Design. We encourage the Secretary-General to continue his efforts with a view to implementing the remaining two recommendations.

9. In conclusion, Mr. Chair, the Group of 77 and China wishes to assure you our continued commitment to actively and constructively engage on this important agenda item during informal consultations.

**I thank you.**