



Statement on behalf of the Member States of the European Union

By

**Mr. Gerton van den Akker
First Secretary at the Delegation of the European Union
to the United Nations**

**66th Session of the General Assembly
Fifth Committee**

**Item 134. Proposed Programme budget: biennium 2012-2013
Capital Master Plan (CMP)**

United Nations

New York

9 December 2011

– CHECK AGAINST DELIVERY –

Mr. Chairman,

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

The Acceding Country Croatia*, the Candidate Countries the former Yugoslav Republic of Macedonia*, Montenegro* and Iceland⁺, the Countries of the Stabilisation and Association Process and potential candidates Albania, Bosnia and Herzegovina, Serbia, as well as Ukraine, the Republic of Moldova and Georgia align themselves with this declaration.

Mr. Chairman,

At the outset, I would like to thank Assistant Secretary-General and Executive Director of the Capital Master Plan Project, Mr. Michael Adlerstein, for introducing the CMP ninth annual progress report (A/66/527). I would also like to thank Assistant Secretary-General and Controller, Ms María Eugenia Casar, for her introductory remarks on the report on proposals for financing associated costs for 2012 (A/66/527/Add.1), the Director of External Audit of the Audit Operations Committee, Mr. Hugh O'Farrell, for his remarks on the report of the Board on the Capital Master Plan (A/66/5 (Vol.V) and the Chief of the Policy and Oversight Coordination Service of the Department of Management, Mr. Mario Baez, for his statement on the report of the Secretary-General on the implementation of the recommendations of the Board on CMP (A/66/324). Finally, I would like to thank the Chair of the Advisory Committee on Administrative and Budgetary Questions, Mr. Collen V. Kelapile, for introducing the related report of the ACABQ and the Under-Secretary-General for Internal Oversight Services, Ms. Carmen Lapointe, for her introductory remarks on the OIOS-report on CMP.

* Croatia, the former Yugoslav Republic of Macedonia and Montenegro continue to be part of the Stabilisation and Association Process.

+ Iceland continues to be a member of the EFTA and of the European Economic Area.

We have been and continue to be a staunch supporter of the Capital Master Plan and its mission to manage the historic and well needed renovation of the United Nations Headquarters Complex in order to create a modern, safe and sustainable work environment. The General Assembly has continuously underlined the importance to execute the Capital Master Plan on time and within budget - including the absorption of the associated costs -, in a safe, accountable, and transparent manner.

We acknowledge the progress made on the renovation work so far on the Secretariat and Conference buildings, as well as the sustainability approach incorporated in the Capital Master Plan. We also commend Assistant Secretary-General Adlerstein and his office for all their efforts.

Mr. Chairman,

Allow me, at the same time, to mention a few points which are of particular concern to us.

Timing and budget

Like the Board of Auditors and the ACABQ, we are concerned with the continued slippage of the project and its implications on the budget. The completion of the General Assembly Building is now scheduled for mid-2014, a year later than the date set out in the revised accelerated schedule; in addition, we learned that - because of the lack of a workable design solution in the Dag Hammarskjöld Library and South Annex Building - these parts of the project are put on hold. Given the risks outlined in the Board of Auditors report, we see a risk to possibly face further delays and costs which would strain the budget even more.

As the Secretary-General's report presents a overall cost-overrun already, we are looking forward to the response of the Secretary-General to the question put forward by the ACABQ, to clarify how the remaining requirements are to be met, bearing in mind the General Assembly's decision that approved associated costs are to be financed from

within the budget approved for the Capital Master Plan and corresponding action recommended by the Secretary-General in its report on associated costs.

Governance

As we have previously indicated, we are concerned that the Capital Master Plan still lacks effective control over the volume of changes to the project. It is clear that this leads to delay and - again - increased costs. We want to stress the need that the Administration should have an effective governance mechanism in place to minimize the volume of changes and deal with the budgetary consequences in an appropriate manner, including focusing on possible savings. In this regard, Mr. Chairman, and in line with our previous statements, we expect the Secretariat to continue to seize opportunities presented by the current economic climate to lower costs of contracts and operations with the aim to bring the project back within the agreed budget, while still ensuring its quality and functionality.

Finally, Mr. Chairman, we underscore the observation made by the ACABQ that lessons should be applied to the remaining stages of the Capital Master Plan and should feed into any other future large-scale capital improvement projects, such as the Strategic Heritage Plan at the UN Office in Geneva and the long-term accommodation in New York.

Mr. Chairman,

All these issues require and deserve a thorough discussion in the Fifth Committee. We therefore regret that the reports on the Capital Master Plan were submitted late. Therefore we see no other option than to defer the topic to the first resumed session, in order to have the necessary time in order to duly address the matter.

Please rest assured that we - as always - will engage constructively with other Member States in our discussions in order to ensure the continued effective and efficient management of the Capital Master Plan.

Thank you, Mr. Chairman.