



Statement on behalf of the Member States of the European Union

By

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**First Secretary at the Delegation of the European Union
to the United Nations**

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– AS DELIVERED –

Thank you, Madam Chair,

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

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

Madam Chair,

At the outset, I would like to thank Under-Secretary-General Mr Takasu, for introducing the Tenth annual progress report on the implementation of the Capital Master Plan. I would also like to thank Mr Liu, Chairman of the Board of Auditors, for introducing the Report of the Board of Auditors on the Capital Master Plan; Mr Ruiz Massieu, Vice-chairman of the ACABQ, for introducing the Report of the Advisory Committee on Administrative and Budgetary Questions; and Assistant Secretary-General Mr Kanja, for introducing the Report on the In-depth technical construction audit of the Capital Master Plan.

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

Madam Chair,

We have been and continue to be strong supporters - also in this last stage of the project - of the Capital Master Plan and its mission to manage the historic renovation of the United Nations Headquarters Complex in order to create a modern, safe and sustainable work environment. An important milestone has been reached with the recently initiated re-population of the Secretariat. This is encouraging. The General Assembly has continuously underlined the importance of executing the Capital Master Plan on time and within budget - including through the absorption of the associated costs - in a safe, accountable, and transparent manner. The findings of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions however give us reason to be concerned about the last stages of the project and its related financial developments. We would like to stress that the recommendations made by these two bodies should be implemented.

Allow me, Madam Chair, to underline a few points which are of particular concern to us, namely the financial situation of the project; swing space; and lessons learned.

Financial situation of the project

Member States of the EU have expressed their concerns about the project cost over-runs on many occasions. We have called for a transparent overview on all costs and made it clear that we expect the Secretariat to pursue further savings and introduce structural cost-reduction measures in order to remain within the approved budget and scope of the project. Even at this late stage of the CMP, the United Nations member states still do not have the full picture of the final costs of the project, in particular with regards to the associated costs after 2013. We concur with the Board of Auditors as well as the ACABQ that the Secretariat must produce a complete, well-justified and robust anticipated final costs' estimation for the Capital Master Plan.

In addition, Madam Chair, we will apply specific scrutiny to some of the financial aspects of the project, such as the proposed savings, in particular the deferred removal of the temporary North Lawn Building, as well as the overall cash balance. We are also interested in learning more about how the project has been affected by hurricane Sandy in addition to the information already received today.

Swing space

In addition, one aspect of the project which is of particular concern to Member States of the EU is the total cost of USD 313 million related to the use of swing-space; in the upcoming question and answer sessions we will ask specific and detailed questions on the off-campus space utilisation in New York and the reasoning behind the length of the current leases.

Governance & lessons learned

Madam Chair,

We would also like to suggest that the issue of the most efficient use of office space in general, and hot desking in particular, should be high on the Secretariat's agenda. We agree with the ACABQ that this issue still deserves serious consideration by the Secretary-General and call for a comprehensive policy that would entail, not only the various options to promote a flexible office space use, but also various benchmarks and criteria that could be used in all the UN buildings throughout the world. In the meantime, the Secretariat should immediately introduce and implement flexible working arrangements in the renovated Secretariat building; we understand that it is technically feasible, but simply requires a major commitment from the UN's daily management in this regard.

Last, we believe that the lessons learned from the Capital Master Plan should be communicated prior to the planning and implementation of future large-scale capital projects.

Madam Chair,

All these issues require and deserve a thorough discussion in the Fifth Committee. 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.

I thank you, Madam Chair.