



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA  
BY H.E. AMBASSADOR PETER THOMSON, PERMANENT REPRESENTATIVE  
OF FIJI TO THE UNITED NATIONS AND CHAIR OF THE GROUP OF 77,  
ON AGENDA ITEM 130: PROGRAMME BUDGET: BIENNIUM 2012-2013: REVISED  
ESTIMATES FOR THE REMEDIATION WORK AFTERMATH OF STORM SANDY,  
IN THE FIFTH COMMITTEE DURING THE FIRST PART OF THE RESUMED  
SIXTY-SEVENTH SESSION OF THE GENERAL ASSEMBLY  
(New York, 15 March 2013)**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 130: Programme Budget for the biennium 2012-2013.
2. The Group of 77 and China wishes to thank Mr. Yukio Takasu Under-Secretary- General for Management for introducing the Secretary-General's report on Revised Estimates relating to the programme budget for the biennium 2012-2013: Remediation work in the aftermath of Storm Sandy as contained in document A/67/748. The Group also wishes to thank Mr. Carlos Ruiz Massieu, Chairman of the Advisory Committee on Administrative and Budgetary Questions, for introducing the Advisory Committee's report contained in document A/67/789.
3. The Group extends its appreciation to Ms. Susana Malcorra, Chef de Cabinet, for her presentation on the after-action review on Sandy storm and the lessons learned available also as supplementary information.

Mr. Chairman,

4. The Group acknowledges the sincere efforts made by the Secretariat during, and in the aftermath of storm Sandy, with a view to quickly restore normal working conditions for the Staff and resume the Organization's critical business. We note with appreciation the steps taken by the Secretary-General relating to recovery and remediation, commissioning the task force led by his Chef de Cabinet, as well as conclusion of the after-action review.
5. The Group notes that although the initial assessment presented to the Member States during November last year suggested that material damages to the UN Headquarters were contained due to precautionary measures, the latest report of the Secretary-General presents a different picture. The Group is particularly concerned at the damages sustained to the plant and equipment, data centre, and to the operations-related spaces and printing facilities.
6. In this regard, we believe that the after-action review and the lessons learned exercise are steps in the right direction to prevent future damages to the UN installations caused by natural disasters. The key recommendations emanating from the review, we believe, are pertinent, and merit our thorough consideration.

Mr. Chairman,

7. The Group notes the information contained in the Secretary-General's report regarding the Organization's insurance coverage for the damages sustained during the storm, to a total amount of US\$150 million. The Group would like to seek further information with regard to the adequacy of insurance of all UN premises against natural disasters particularly in the context of UNHQ's vulnerabilities.
8. The Group is of the view that mitigation measures be taken to reduce the vulnerability of Headquarters to future flooding events, which are not covered by the present United Nations insurance programmes. In view of the

present inadequate coverage of property insurance for the flood class of only US\$20 million, the Group emphasizes a need for taking immediate mitigation measures so as to avoid the risk of uninsured financial exposure in future, as well as to explore available solutions in the insurance market for any future eventualities. The Group would further be interested to learn in detail the insurance policies coverage and arrangements on this and similar issues.

Mr. Chairman,

9. Considering the delays in receiving the insurance recoveries which are expected not earlier than biennium 2014-15, the Group would **examine** the Secretary-General's proposal of exploring alternative bridging cash flow mechanisms, **as an interim arrangement**, including using the Working Capital Fund and Special Account, to continue with remediation work. In this regard, notwithstanding the outcome of our discussions, we hope that the Secretary-General would closely monitor the cash position of the organization to ensure that smooth functioning of other operations are not put at risk in consequence of any action.

10. The Group also notes the Secretary-General's proposal for establishing a distinct multi-year special account concerning insurance recoveries and expenditures relating to the damages sustained due to Sandy in accordance with UN financial regulations and rules. The Group is of the view that the Organization needs to address the emergencies and mitigation issues in a sustainable manner and within the appropriate context.

11. The Group attaches great importance to the issues of accountability and oversight for the implementation of remedial measures in the aftermath of Storm Sandy, particularly areas such as governance, communication, physical infrastructure, and business continuity. We welcome the delineation of responsibilities among the various heads of the departments and senior managers. This we believe would facilitate not only addressing the shortcomings in the safety and security, and communication, but also help in presenting accurate assessment of damages sustained to the UN premises and the implementation of prevention, mitigation and recovery measures including those not covered by insurance.

12. The Group wishes to reiterate which is also rightly pointed out in the After-Action Review paper, that communication with Member States during and in the aftermath of storm Sandy was dismal. Despite Organization's major investments in communication and information technology, the existing system failed to function effectively. There were also the issues of internal coordination within the Secretariat coupled with technical failures of back-up mechanism including the data centers. The Group would like to urge the Secretary-General to take effective remedial action and prevent such occurrences in any future emergencies.

13. The Group is constructively engaged in the Committee's discussions in the context of Organizational Resilience Management System (ORM), we hope our deliberations under both agenda items, and the work done by the Secretariat in the aftermath of storm would guide the work of the Organization in establishing mechanisms to ensure effective communication with the Staff and the Permanent Missions in emergency situations.

14. Finally Mr. Chairman, I would like to reiterate the critical role of the Secretariat in ensuring the smooth functioning of the United Nations in emergency situations. In this regard, the Group stands ready to work with the Secretariat, and looks forward to a constructive and fruitful discussion on this agenda item.

I thank you, Mr. Chairman.