



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. LYLE DAVIDSON, COUNSELLOR AT THE PERMANENT MISSION OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS, ON AGENDA ITEM 134. PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2016-2017. STUDY ON THE LONG-TERM ACCOMMODATION NEEDS AT UNITED NATIONS HEADQUARTERS FOR THE PERIOD 2015 TO 2034, AT THE MAIN PART OF THE 70TH SESSION OF THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY.**

**(New York, 1 December 2015)**

Mr Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 134, entitled proposed programme budget for the biennium 2016-2017: Study on the long-term accommodation needs at United Nations Headquarters for the period 2015 to 2034.

At the outset, the Group of 77 and China would like to thank Mr. Yukio Takasu, Under-Secretary General for Management for introducing the Secretary-General's report as contained in document A/70/398, as well as Mr Carlos Ruiz Massieu, Chair of the Advisory Committee on Administrative and Budgetary Questions, for introducing its related report as contained in document A/70/7/Add.22.

Mr Chairman,

The Group of 77 and China recalls that General Assembly resolution 69/262 (section VII), requested the Secretary-General to provide updated comprehensive information and related financing modalities, financial costs and accurate cost projections, on the four viable options presented by the Secretary-General. The Secretary General was further requested to ensure that the four options were treated equally.

The Group would like to recall that the options were, firstly, the construction of a new building on the North Lawn, funded through a special assessment; secondly, the construction of a new building on the North Lawn, based on the availability of funding through third-party financing; thirdly, a lease-to-own arrangement for a new building constructed by the United Nations Development Corporation, referred to as DC-5, on the Robert Moses playground; and, lastly, the status quo or continuation of commercial leasing under current arrangements.

The Group underlines the importance of pursuing further analysis in order to obtain statistically substantiated estimations of the impact of the implementation of a flexible workplace strategy on the projection of office space requirements. Organizational supervisory capability would also be required, thus early oversight and audit coverage should be guaranteed, as requested by the General Assembly in resolution 69/262.

Mr Chairman,

With regard to the future space requirements mentioned in the report of the Secretary-General, the Group of 77 and China notes that the current population of staff at Headquarters, excluding agencies, funds and programmes, totals 8,856; of which 4,042 staff currently require seating outside of the existing United Nations-owned property. The Group also notes the comments by the Advisory Committee that there are 1,748 staff funded from the programme budget or the support account for peacekeeping operations, with functions of an administrative nature, which may be affected as a result of the transformational initiatives of the Secretary-General.

According to the Secretary-General's report the possible changes in New York Headquarters staffing levels would be accommodated within three population scenarios, ranging from a 0.5 per cent

annual decline to a 1.1 per cent annual growth. It is noteworthy that the Secretary-General is not in a position to determine the impact of business transformation projects and other factors on the population projections, and its impact on future space requirements at New York Headquarters. The Group agrees with the Advisory Committee that a number of alternative population scenarios should also be considered when projecting future space needs and that related calculations should be substantiated. This is a determining factor that would contribute to the Group's position on the long-term accommodation needs of the Organisation.

The Group is aware that the space requirements of New York-based agencies, funds and programmes have been included in the calculations for the long-term accommodation needs at United Nations Headquarters. In this regard, the Group agrees with the Advisory Committee that future space scenarios and related calculations with respect to the long-term accommodation needs at United Nations Headquarters should clearly focus on the requirements of Secretariat departments and offices, while still taking into consideration the possibility of accommodating agencies, funds and programmes, on a space availability basis; especially taking into account that that agencies, funds, and programmes have not expressed a binding commitment as to their possible future tenancy.

Mr. Chairman,

With regard to business transformation initiatives, the Secretary-General indicates in his report possible changes in Headquarters staffing levels over the next 20 years, particularly as a result of the enterprise resource planning system (Umoja) and the proposed global service delivery model. The Group of 77 and China pays a great deal of attention to this matter and would like to emphasize that the Organization's future space requirements are also determined by other concurrent and equally important business transformation projects besides Umoja and the GSDM, including the information and communications technology (ICT) strategy, the global field support strategy (GFSS), the International Public Sector Accounting Standards (IPSAS) and human resources initiatives such as staff mobility. The Advisory Committee notes that other initiatives would also influence the space requirements, including the capital master plan (CMP), the strategic heritage plan (SHP), the strategic capital review, and the proposed introduction of flexible workplace arrangements.

The Group notes that the Board of Auditors has highlighted that the Organization has no common methodology to manage the different transformative projects and has recommended that the Organisation improves its capability to coordinate ongoing transformation projects. The Group calls for a more harmonized approach towards all business transformation initiatives so as to ensure efficiencies in financial and staffing resources and stresses that this approach also includes the need to coordinate physical space needs at Headquarters, especially in New York-based Headquarters where cost increases are the trend.

The Group, therefore, agrees with the Advisory Committee that there are a significant number of uncertainties to be addressed with respect to the impact of the Organization's business transformation initiatives on the number of staff and their physical space requirements in New York. The Group considers it vital to have a clearer determination of staff and other resource requirements in order to assess actual long-term accommodation needs and, therefore, decide on a course of action in this regard.

Mr. Chairman,

With regard to the current long-term accommodation options, the Group of 77 and China considers that future planning assumptions and proper related space requirement calculations will define the most appropriate option. In line with the comments of the Advisory Committee, the Group notes that all options continue to have merit in the absence of sufficient data to make a final choice.

The Group agrees with the Advisory Committee that the long-term viability and implementability of the options cannot be properly assessed at this time. The Group, therefore, supports the recommendation

of the Advisory Committee that the General Assembly requests the Secretary-General to explore interim solutions, including the possibility of the extension of the current leases of the DC-1 and DC-2 buildings, under the most preferable terms possible.

Mr. Chairman,

The Group of 77 and China believes that the possibility of the construction of a new building through third-party financing should be further explored and studied by the Secretary-General. The Group notes with appreciation that for the Strategic Heritage Plan of the United Nations Office at Geneva, the Secretary-General negotiated with the host country on the terms and modalities for loan arrangements and that the Government of the host country offered a loan package covering the construction and renovation of the project at a zero per cent interest rate. This option should be seriously considered for the long-term accommodation needs at New York-based United Nations Headquarters. In this regard, the Group emphasizes the comments by the Advisory Committee that the Secretary-General should explore the options available, without prejudice, for the financing of the project and develop a more focused and formal approach when approaching the Host Country and other Member States in this regard.

Mr. Chairman,

In conclusion, the Group of 77 and China reiterates its commitment to participate actively in the consultations on this important agenda item.

I thank you, Mr. Chairman.