



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: STRATEGIC HERITAGE PLAN, AT THE MAIN PART OF THE SEVENTIETH SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY

(New York, 17 November 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: construction and property management, in particular the Strategic Heritage Plan at the United Nations Office in Geneva.

At the outset, the Group would like to thank Mr. Michael Møller, Director-General of the United Nations Office in Geneva for introducing the second annual progress report of the Secretary-General on the strategic heritage plan of the United Nations Office at Geneva, contained in document A/70/394 and Corrigendum 1, as well as Mr. Carlos Ruiz Massieu, Chair of the Advisory Committee on Administrative and Budgetary Questions, for introducing the related report contained in document A/70/7/Add.8.

The Group would like also like to take this opportunity to thank the Government of Switzerland for their continued support to the United Nations and other international entities based in Geneva.

Mr. Chairman,

The effective and efficient management of United Nations facilities across the globe is an important issue for the Group. In this regard, the Group continues to pay close attention to the renovation and upgrading of the Palais des Nations in Geneva to address health and safety issues, as well as usability and access concerns. The Group notes that progress has been made in this regard since the previous progress report.

The Group has taken note of the updated information related to the implementation of the project, in particular elements relating to project governance, including the steering committee and Advisory Board; the proposed risk management mechanism, as well as role of the Office for Central Support Services. The Group will seek clarity on the rationale for the use of an independent risk management firm instead of in-house or host government expertise during the informal consultations.

The Group further notes the need for dedicated project team and contracted services and emphasis that the selection of external contractual expertise should be conducted in strict compliance of all relevant rules and regulations governing procurement activities and that the use of such expertise should be kept under review by the project oversight and monitoring mechanisms.

The Group notes that the flexible workspace strategy has been taken on board in the implementation of the strategic heritage plan, but emphasizes that this concept should not only

take into account real estate needs, but also the impact on staff wellbeing as well as local norms, standards and working cultures. The Group notes in this regard that the aim of the project is to improve the working condition for all staff and delegates. The Group will follow this issue closely during the informal consultations.

Mr. Chairman,

The Group of 77 and China has taken note of the revised schedule of work and stresses that keeping the project on schedule is critical to avoid any potential cost overruns. The Group therefore notes the importance of close monitoring and quality assurance of the project's progress within the established timelines.

The Group believes that the project will benefit from a due consideration and application of lessons learned from other capital projects in order to avoid a repetition of the errors, omissions and weaknesses experienced in the implementation of the Capital Master Plan. The Group expects that the project team will therefore pay due attention to the recommendations of the Advisory Committee and Board of Auditors in this regard.

The Group therefore welcomes the close cooperation between the Secretary-General and the host country, as well as other organizations based in Geneva which have successfully implemented complex construction projects.

Mr. Chairman,

The Group notes that the project estimate has been revised slightly downwards from CHF 837 million to CHF 836.5 million, with a contingency of CHF 92 million. The Group reaffirms that the contingency should be treated as a part of the overall budget level to mitigate any unexpected changes throughout the implementation of the project. The Group again emphasizes the need to put mechanisms in place to avoid, to the extent possible, drawing from the contingency fund and that any withdrawals made should be necessary and in line with the established principles.

The Group of 77 and China welcomes the revised loan offer made by the host country to the amount of CHF 400 million (about 50 per cent of the project cost) and notes the preferential terms and modalities for repayment of the loan. The Group stresses, however, that the loan only provides temporary relief for Member State assessment and urges the need for a timely payment plan for the project.

The Group has taken note of the other possible means of financing including through extra-budgetary contributions, advance rental income and valorization of UN land. The Group remains open to discussing all options, but would like to express concern about the sale of UN land. The Group notes that a number of host countries have donated land to the UN for the expansion of activities. It appears premature to be selling land for short term gain when the future needs of the Organisation are not yet clear.

Mr. Chairman,

In conclusion, the Group would like to assure you of its constructive engagement on this agenda item during the informal consultations.

I thank you, Mr. Chairman.