

STATEMENT BY MR. PRASANNA ACHARYA, MEMBER OF PARLIAMENT AND  
MEMBER OF THE INDIAN DELEGATION, ON AGENDA ITEM 128: CAPITAL  
MASTER PLAN AT FIFTH COMMITTEE OF THE 62<sup>ND</sup> SESSION OF THE UNITED  
NATIONS GENERAL ASSEMBLY ON OCTOBER 23, 2007

Mr. Chairman,

I would like to thank Mr. Michael Adlerstein, Assistant-Secretary General & Executive Director of the Capital Master Plan (CMP) for introducing the Secretary-General's report on this agenda item. We welcome his appointment to this important office and wish him all success in his assignment. We also thank Mr. Rajat Saha, Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), for introducing the relevant report of the Advisory Committee. We express our appreciation to the Board of Auditors for its report on the CMP for the year ending 31st December 2006.

My delegation associates itself with the statement made by the Chair of the Group of 77.

Last year, following many years of tedious negotiations, the General Assembly had approved the budget and the strategy for the much needed Capital Master Plan to renovate and refurbish the UN headquarters building in New York. Member States had been persuaded into adopting the Strategy IV, based on detailed briefings and extensive negotiations, as the best possible option for undertaking the most complex project ever undertaken by the Organization. At this juncture, we would be less than honest if we do not say that we are a little surprised, not just due to the CMP related time and cost overrun but also by the fact that a new Accelerated Strategy IV is now being proposed to us as a better way forward. While we are appreciative of the merits of the proposed Accelerated Strategy IV, as it expedites the project from 7 to 5 years and that too within the approved budget of Dollars 1.867 billion; makes up for the lost time; lowers construction-related risks and reduces the disruption of the Organization's work due to prolonged construction activity, we wonder why these elements which also existed in the past were not incorporated in the original Strategy-IV that had been presented to Member States. Henceforth, we should be vigilant that as we embark on the CMP strategy that might be

eventually chosen, a proper risk assessment for the project is undertaken and plans to mitigate those risks are also put in place, so that we are not back to square one in the future. We also call for all recommended technical surveys and studies related to the project to be undertaken before the construction starts in order to ensure that safety and security of the structure is not compromised due to this lacuna.

While the complexity of the decision-making process by Member States in the UNGA is well-known and should be factored into all proposals presented by the Secretary-General, we are disturbed by the ACABQ's comments regarding the risk of lack of commitment to the project on the part of some of the involved UN departments as a reason for cost overrun and delay in implementing the CMP. It should be made abundantly clear that the CMP belongs to all of us: the Member States, their peoples and UN Staff. Therefore, total commitment and full cooperation and coordination on the part of all concerned UN departments is not just an expectation, but an imperative. It is the solemn duty of all heads of departments to ensure that they deliver whatever is required of their departments for an effective and efficient implementation of the CMP. In that regard, we hope the newly appointed Executive Director would provide the required leadership to overcome these challenges.

One cannot argue with the economics of the proposed accelerated-Strategy IV for the CMP. It proposes to give us the renovated UN headquarters building, within the approved budget, in a shorter time-frame. As mentioned in the Secretary-General's report, this Strategy would also identify an amount of Dollars 190.1 million out of a total cost overrun of Dollars 219.6 million, through "value engineering". While agreeing with the ACABQ that the planned value engineering exercise is worth pursuing, we would keenly monitor it and also evaluate its outcome. Needless to say, pursuit of value engineering should not be at the expense of quality required for the CMP.

The UN belongs to all Member States and in that spirit of collective ownership, my delegation calls for increased procurement opportunities for vendors from developing countries for the CMP project. The GA resolution 61/251 has called for procurement processes to be conducted in a transparent manner. We would caution against inserting unnecessary restrictive clauses in tender documents that might exclude vendors from developing countries on flimsy grounds.

The bottom line for my delegation is that eventually whatever strategy is approved by Member States for implementing the CMP, we would require firm assurances against any further cost escalations, strict adherence to the construction schedule and delivery of highest quality construction for the project.

We look forward to further clarifications in the informal discussions.

Thank You.

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