

**STATEMENT BY MR. JAGMEET SINGH BRAR, MEMBER OF PARLIAMENT
ON CAPITAL MASTER PLAN (AGENDA ITEM 112) AT FIFTH COMMITTEE
OF 57TH UNGA ON OCTOBER 25, 2002**

Mr Chairman,

My delegation would like to thank Assistant Secretary General Mr. Toshiyuki Niwa for introducing the Secretary General's report A/57/285 on the Capital Master Plan. We take this opportunity to thank Ambassador Mselle, Chairman of the ACABQ, for presenting the Committee's considered opinion on this subject. While we endorse the views expressed by the Committee, we would like to add a few additional points which need further elaboration by the Secretariat.

It is evident from paragraph 11 of the Advisory Committee's Report A/55/675 dated December 8, 2000, that negotiations were being conducted with the host government, the local and state authorities on their participation in the project including the financing of the Plan. The current report does not incorporate any information on the status of negotiations with Federal Authorities on the renovation of the UN Headquarters, including the funding of the project. This was a major recommendation of the Advisory Committee last year.

A matter of concern is that delay in implementation of the project would result in cost escalation of the order of 3.5 percent per annum. Moreover, we find from para 3 of the Secretary General's Report that annual expenditure

for emergency repairs, major construction and energy is expected to increase progressively to reach a high point of 116 million dollars in 2019 under the reactive approach. The current level of these expenses, including energy costs, is approximately 30 million US dollars. For these reasons, we would support a decision on the Plan during this session itself, subject of course to the eventual financing package being acceptable.

We have noted from paragraph 8 of the Secretary General's report that negotiations with the City of New York are still on-going, regarding construction and use of 'swing space' on the east side of the First Avenue between 41st and 42nd Streets. One option suggested is to lease the 'swing space' from UNDC at a total cost of \$ 96 million for the four-year period December 2005-09 and then consider negotiating a lease purchase agreement. The other option suggested is to negotiate outright purchase of the building after the construction is completed in 2005. Preliminary estimates for the purchase, projected by the Secretariat, amount to \$ 335 million including, building cost of \$ 315.8 million and construction loan and management cost of \$ 19.2 million. At this stage, therefore, it is imperative for the Secretariat to obtain precise information from the City authorities about costs involved for both the options outlined above. This will facilitate the

member states in exercising a choice taking into account the long-term needs of the Organisation.

This information is of paramount importance as we find from paragraph 41 of the report that, after completion of the Plan, the proposed UNDC building with approximately 800,000 sq.ft. of space would have the capacity to accommodate UN offices presently occupying 670,000 sq feet of space in UNDC I and UNDC II buildings and commercially leased office space of 161,000 sq feet in other buildings. A cost-benefit analysis needs to be prepared in consultation with the Funds and Programmes and other UN offices occupying rented or leased accommodation. This would also help planning for a long-term solution of space requirements for all concerned.

The scope of work for refurbishment programme as elucidated in part IV of the report, is quite comprehensive. However, the details are mostly in narrative form and do not include specific cost elements associated with each segment and their components. It is seen that the analysis has been prepared with the assistance of the architectural and engineering firm and, therefore, it should be possible to break down the cost factors as projected by the design team. Given the fact that the cost of refurbishment is almost three times the cost of constructing the swing space, a proper quantification of costs associated with the different types of work to be undertaken would make it easier for the Member States to appreciate the complexity of the refurbishment programme.

Another aspect of the refurbishment programme which needs additional inputs from the Secretariat is the time-frame for completion of different tasks. The projected six-year plan appears to have taken account of various contingencies in a comprehensive manner. Given the experience and expertise available these days, a shorter time span to complete the project should be quite feasible as the project is **time-bound and mission-specific**. What is important to bear in mind is the fact that utmost consideration needs to be given to avoid any form of cost escalation. The request for the UN programme management group to be authorised adequate resources with sufficient autonomy and maximum flexibility is understandable. Oversight and accountability of the programme management team at various stages of the project assume greater importance for the successful completion of the project. Therefore, the project management team should be sensitised to the crucial nature of their responsibilities at the earliest.

In paragraph 52 of the Secretary General's Report, it is seen that a requirement has been projected for approximately 40 staff at the peak of construction including temporary project personnel and project consultants, beginning with a group of 20 during the design, development, construction and documentation phases. The structure of the proposed programme management group is shown in Annex II of the report. The design team should indicate the requirement of various types of specialised consultants along with the details of their field of operation. We presume that a number of these outsourced specialised task personnel

would form a major part of the project personnel. The other component of the project team could be constituted for overseeing the implementation of the project. Therefore, it is essential to spell out 'who is doing what' at a very early stage of project planning. Each member of the project team should invariably oversee the performance of the outsourced specialised task personnel meticulously so as to adhere to the projected time frame for completion of

various tasks. This will help obviate any possibility of cost overrun owing to delayed implementation.

Mr. Chairman, my delegation looks forward to the Secretariat's elaboration of the points mentioned above during the course of informal consultations.

Thank you, Mr. Chairman.