

27 June 2006

Item 124: Programme budget for the biennium 2006-2007

Draft resolution

Capital Master Plan

The General Assembly,

Recalling its resolutions 54/249 of 23 December 1999, 55/238 of 23 December 2000, 56/234 and 56/236 of 24 December 2001, 56/286 of 27 June 2002, section II of resolution 57/292 of 20 December 2002, resolution 59/295 of 22 June 2005, section II of resolution 60/248 of 23 December 2005, resolution 60/256 of 8 May 2006 and its decision 58/566 of 8 April 2004;

Having considered the second annual progress report of the Secretary-General on the implementation of the Capital Master Plan,¹ the reports of the Secretary-General on viable options for ensuring sufficient parking space at United Nations Headquarters² on plans for three additional conference rooms and viable solutions for allowing natural light into the rooms,³ on cooperation with the City and State of New York related to the Capital Master Plan,⁴ on the possible funding arrangements for the Capital Master Plan,⁵ Business analysis on the possibility of constructing a new permanent building on the North Lawn,⁶ the note by the Secretary-General transmitting the report of the Board of Auditors on the Capital Master Plan for the biennium ended 31 December 2003 and the report of the Board

¹ A/59/441 and Add.1-2
² A/58/712.
³ A/58/556.
⁴ A/58/779.
⁵ A/58/729.
⁶ A/60/874

of Auditors for the year ended 31 December 2004⁷ and the reports of the Office of Internal Oversight Services on the United Nations Capital Master Plan for the period from August 2003 through July 2004 and the period from August 2004 through July 2005⁸ and the related reports of the Advisory Committee on Administrative and Budgetary Questions⁹, as well as the oral report by the Chairman of the Advisory Committee on Administrative and Budgetary Questions¹⁰;

1. *Reiterates* its serious concern at the hazards, risks and deficiencies of the current conditions of the United Nations Headquarters Building that endanger the safety, health and wellbeing of staff, visitors, tourists and delegations, including High level Delegations; *

2. *Takes note* of the second annual progress report of the Secretary-General on the implementation of the Capital Master Plan,¹ the reports of the Secretary-General on cooperation with the city and state of New York related to the Capital Master Plan,⁴ on the possible funding arrangements for the Capital Master Plan,⁵ Business analysis on the possibility of constructing a new permanent building on the North Lawn⁶ and the reports of the Office of Internal Oversight Services on the United Nations Capital Master Plan for the period from August 2003 through July 2004 and the period from August 2004 through July 2005,⁸ and the related reports of the Advisory Committee on Administrative and Budgetary Questions,⁹ as well as the oral report by the Chairman of the Advisory Committee on Administrative and Budgetary Questions¹⁰;

⁷ A/59/161 and A/60/5/Vol.V

⁸ A/59/420 and A/60/288

⁹ A/59/556 and A/60/7/Add.38

¹⁰ A/C.5/59/SR.54

3. *Endorses* the conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions⁹ ¹⁰, subject to the provisions of the present resolution; *
4. *Notes* the benefits, including economic ones, accruing to Host Countries from United Nation's presence; *
5. *Stresses* the special role of the Host Country Government with regard to support for the United Nations Headquarters in New York; *
6. *Recalls* the current practices of Host Governments with regard to support for United Nations Headquarters and United Nations Bodies located in their territories; *
7. *Recalls* paragraph 65 of A/57/285 in which it was anticipated that financing of the Capital Master Plan would follow the 1951 model of an interest free loan offered by the Host Country, and paragraph 22 of the report A/59/441 in which it was stated that the offer of an interest bearing loan from the Host Country did not meet the expectations of the General Assembly; *
8. *Regrets*, in this context, that no interest free loan to the United Nations was forthcoming, along the lines of the 1951 model referred to in paragraph X of the present resolution ; *

9. *Takes note* of the conclusion reached by the Secretary General and the Advisory Committee on Administrative and Budgetary Questions that the cash payment option based on a one time assessment or multiyear special assessments would be the simplest and cheapest approach for meeting the cost of the Capital Master Plan; *

10. *Recognizes* the need to proceed swiftly with the Capital Master Plan and to pursue a planned starting date of 2007 for renovation to be decided at its 60th session; *

11. *Decides* that those individual member states that decide to participate in the financing of the Capital Master Plan through direct assessment of contributions and pay in full and on time their assessed share(s) to the Capital Master Plan will not bear any financial liability and/or any other obligations derived from any possible utilization of the agreement with the Host Country referred to in paragraph 11bis; *

11ter. *Notes with concern* the sharp escalation in the cost of UNDC5 which raise questions about its viability; *

12. *Also notes* that the city and state of New York have yet to fulfill their commitments to the Capital Master Plan, and encourages the Host Government to take necessary steps to resolve this issue;*

13. *Decides* to revert to the consideration of the reports of the Secretary-General on viable options for ensuring sufficient parking space at United Nations Headquarters² on plans for three additional conference rooms and viable solutions for allowing natural light

into the rooms,³ the note by the Secretary-General transmitting the report of the Board of Auditors on the Capital Master Plan for the biennium ended 31 December 2003 and the report of the Board of Auditors for the year ended 31 December 2004⁷ at its 61st session; *

14. ~~Notes previous operative paragraph 14 moved to section I and renumbered as operative paragraph 17bis.~~

I. Scope of the Capital Master Plan:

15. *Requests* the Secretary-General to ensure that no action is taken that would preclude [any decision that the General Assembly has to take on] the construction of a new permanent building on the North Lawn at some future date [independently from the renovation of the United Nations Headquarters buildings]

Adopted
ad ref.

16. *Approves*, effective 1 July 2006, the recommended strategy for the implementation of the capital master plan, strategy IV (phased approach) in the Secretary-General's report A/60/550, Corr.1-2 and Add.1, including the approach to phasing, swing space, cost and schedule;

Adopted
ad ref.

17. *Requests* the Secretary-General to submit proposals to the General Assembly at its sixty-first session, through the Committee on Conferences, on the possible adjustment of meeting schedules, including a change in venue of meetings for the United Nations intergovernmental organs that normally meet at Headquarters for the period of implementation of the capital master plan;

17bis. Previously operative paragraph 14 as moved. *Decides* to revert to the consideration for the need of the comprehensive feasibility study in the context of the fourth annual progress report on the implementation of the Capital Master Plan and requests the Secretary-General to report to it on the proposed terms of reference for such a study;

17ter. *Requests* the Secretary-General to prepare a comprehensive feasibility study of the proposed construction of a building on the North Lawn, including a number of other factors that have not been included in the business analysis contained in A/60/874 on security, architectural, and host city and community issues and submit a report to the General Assembly in the second resumed 61st session;

[17quater. *Requests* that the Secretary-General to establish a mechanism to promote the effective participation in the capital master plan of enterprises of the developing countries, in particular of small and medium enterprises (SME);]

17quinquies. *Notes* the Secretary-General's intent to hire an independent construction auditor with expertise in large New York City construction projects and requests the Secretary-General to proceed without delay;

17sexiens. *Requests the Secretary-General to institute an independent bid protest process for procurements related to the Capital Master Plan;*

17septiens. *Requests the Secretary-General ensure that all staff involved with the Capital Master Plan file financial disclosure statements as required by relevant General Assembly resolutions;*

17octiens. *Welcomes the revised terms and conditions for tender documents utilized from January 2006 to ensure vendors are required to declare and disclose conflict of interests situations, and requests the Secretary-General to ensure vendors involved with the Capital Master Plan comply with the new tender document requirements;*

17noviens. *Requests the Secretary-General to include information on:*

- a) appropriations and expenditures, to be updated monthly,*
- b) contract awards, including the name of the company, the amount of the contract, the reason for the contract, and related disbursements, to be updated monthly, and*
- c) the approved project budget, at the level of detail provided in Table I of A/60/550, updated as needed, on the website of the Capital Master Plan;*

17deciens. *Requests* the Secretary-General to report on the implementation of the requests in paragraphs x-y in the fourth annual progress report on the implementation of the Capital Master Plan;

II. Financing of the Capital Master Plan:

18. *Approves* a revised ~~project budget~~ [projected cost] of \$1,587.8 million for strategy IV for the capital master plan, excluding potential scope options and excluding the cost of potential letters of credit;

19. *Approves* the funding plan for the capital master plan based on a multi-year assessment with assessed contributions being equal to one quarter of the value of the anticipated expenditure during construction for the first four years, commencing in 2007;

OR

19bis. *Approves* the funding plan for the capital master plan based on a multi-year assessment, as outlined in paragraphs 32 to 35 of the third annual progress report of the Secretary-General on the implementation of the capital master plan (A/60/550), in accordance with Alternative A, assessed contributions equal to 20 per cent of the total value of the anticipated expenditure during construction for the first five years, commencing in 2007;

20. *Requests* the Secretary-General to further evaluate the feasibility and working arrangements of an advance payment option and to report back to the General Assembly in the context of the fourth annual progress report on the implementation of the capital master plan;

[20bis. *Requests* the Committee on Contributions to make recommendations to the General Assembly at its sixty-first session on the possibility of imposing interest to be charged for the late payment of assessed contributions to the capital master plan account in the context of financing of the capital master plan as an exception to the present policy;]

21. *Endorses* the proposal of the Secretary-General to maintain a separate capital master plan account for financing the capital master plan to be operated under the terms detailed in paragraphs 26 to 29 of the third annual progress report of the Secretary-General on the implementation of the capital master plan (A/60/550);

22. *Decides* to convert the existing commitment authority of 77 million dollars into an appropriation with assessment on Member States in 2006 on the basis of the regular budget scale of assessment in effect for the year;

23. *Decides* to further appropriate an amount of \$45,000,000 for the purpose of establishing the working operating reserve under the capital master plan account to be operated under the terms of financial regulations 3.5, 4.2 and 4.3;
24. *Also decides* that the appropriation of \$45,000,000 for the purpose of establishing a working operating reserve under the capital master plan account shall be financed in accordance with financial regulation 3.1 through an assessment on member states in 2006 on basis of the regular budget scale of assessment in effect for that year;
25. *Decides* to appropriate an amount of \$5,280,000 for a study on the possibility of constructing a new permanent building on the North Lawn;
26. *Decides* that the appropriation of \$5,280,000 shall be financed in accordance with regulation 3.1 of the Financial Regulation and Rules of the United Nations through an assessment on Member States in 2006 on the basis of the regular budget scale of assessments in effect for that year;