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Item 117 Programme budget for the biennium 2006-2007: Capital Master Plan

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On behalf of Canada, Australia and New Zealand

(Check against delivery)

Mr Chairman,

I have the honour to speak on behalf of Canada, Australia and New Zealand. I thank Mr. Sach for introducing the report of the Secretary-General on the implementation of the Capital Master Plan, and Mr. Saha for introducing the corresponding ACABQ report.

Mr Chairman

We have before us the fourth annual report on the Capital Master Plan. An important step was made in June of this year, when the General Assembly decided to pursue Strategy IV, a phased renovation of the Secretariat building using local commercial swing space. The GA must now decide on the method of financing of the Capital Master Plan. The Secretary General has provided three options for financing:

a) A one time cash assessment
b) Multi-year cash assessments
c) A mix of one time and multi-year assessments

CANZ sees the merit in equal multi-year cash assessments over five years. It is a simple, transparent and easy to administer method of financing, which balances the need of member states to spread out payments over a number of years with the cash requirements of the CMP. The ACABQ has raised a number of important issues in regards to financing which we look forward to discussing during informal consultations.

The choice of multi-year cash assessments requires the General Assembly to authorise the Secretary-General to enter into a letter of credit for the duration of the project. This is a commercial reality of undertaking a large construction project in New York, and an unavoidable cost. However, the actions of member states will directly determine the magnitude of that cost. If all member states pay their assessments in full and on time, not only will the Secretary-General not be required to draw down on the letter of credit and thereby avoid credit charges, but the cost of the credit facility will also be reduced.

As requested, the Secretary-General has suggested a mechanism to attribute charges accrued by the utilisation of the credit facility, without penalising those member states which have paid in full and on time. No member state should carry additional financial burden as a result of others not fulfilling their obligations. We will consider carefully the mechanism proposed.

From the first proposals presented to the Committee on CMP, there has been a number of scope options presented. To date, we have deferred those decisions. We can no longer. CANZ understands that the CMP provides an ideal opportunity to improve security, redundancy, contingency and sustainability. We look forward to receiving in the informal consultations the additional information that may be required to reach a final decision on this matter.

Mr Chairman,

Over and above the various scope options, there has been a 4% escalation in cost of the CMP since the previous progress report, largely due to the increase in cost of swingspace. We need to ensure every effort is undertaken to deliver the project within the budget to be agreed by the General Assembly, including making the decisions necessary by the end of the main session to avoid further cost escalations.

CANZ is pleased to learn that, despite the delays in choosing a preferred construction strategy, the project is still due to be completed in 2014. The impending selection of a construction manager and completion of the design development phase mark good progress. It is also reassuring that all relevant staff members have completed the required financial disclosures. We are disappointed that the Secretary-General has been unable to appoint an advisory board for the CMP, a request made by the General Assembly, ACABQ and internal and external auditors. We would like to receive an update on the role of the advisory board and the efforts made to appoint its members.

Thank you, Mr Chairman.