



**PERMANENT MISSION OF SWITZERLAND
TO THE UNITED NATIONS**

61st session of the General Assembly

Item 117

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

Statement by Thomas Stähli

New York, 30 November 2006

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Mr. Chairman

First and foremost, my delegation would like to thank the Controller, Mr. Warren Sach, for the introduction of the fourth annual progress report, as well as the Chairman of the ACABQ, Mr. Rajat Saha, and the representative of the Board of Auditors for presenting their respective reports.

My delegation would like to commend the Office of the Capital Master Plan for the quality and conciseness of its report. Due to time constraints the Committee is operating under in this main session, my delegation is of the view that the discussion should focus on the two proposed scope options as well as the three financing models including the mechanism for charging credit utilization charges to Member States. My delegation will therefore limit its comments to these two issues.

It is our understanding that a decision needs to be taken by the end of this session in order to avoid any further delay and cost escalation of the project. We appreciate all the efforts undertaken by the office to keep 2014 as the originally envisaged project end date.

Regarding the scope options, my delegation notes in particular the increased security-related requirements (i.e. additional blast protection) and building operations measures ("back-up systems"). It's my delegation's understanding that the scope of a large scale project such as

the Capital Master Plan cannot be entirely determined in advance and needs to be adapted periodically. Nevertheless we would like to further examine in the informal consultations the circumstances that led to these additional requirements of USD 69.4 Mio. in particular with regard to additional redundancy measures.

As the Secretary-General indicates these options cannot be completed as stand-alone projects. The Capital Master Plan would offer a unique opportunity to incorporate latest technology in a state-of-the-art solution. Bearing in mind the time horizon of the project, my delegation supports the inclusion of the scope options in the scope of the base project. Furthermore we have a special interest in the environmental sustainability of the project and will seek further information on the respective scope options under Tier 2.

Mr. Chairman

Turning now to the proposed financing options, my delegation notes the increased overall cost of the Capital Master Plan of USD 1'646.3 Mio. not including the proposed scope options estimated at USD 230.4 Mio. Chapter V of the report provides a useful break-down, underscoring that mainly external factors - in particular higher rental costs for the swing spaces - had caused these further increases of USD 58.5 Mio.

My delegation supports the proposed financing option of a multi-year direct assessment over a period of 5 years. In order to have a complete picture, my delegation would nevertheless like to get further information on the potential financial savings for Member States preferring the one-time upfront assessment. Taking into account the unpredictable cash-flow of any large scale project such as the Capital Master Plan, my delegation would like to underline the need for a prudent cash-flow planning minimizing the risk of having to draw down from the letter of credit facilities. We are confident that the proposed option takes these concerns into account.

Furthermore we welcome the proposed mechanism which will assure that Member States that have paid their contributions in full and on time would not bear any financial liabilities resulting from the use of credit facilities. This mechanism will hopefully have a positive impact on the payment of Capital Master Plan assessments by Member States.

In conclusion, Mr. Chairman, my delegation would like to reiterate its commitment to the Capital Master Plan project. Due to the precarious physical condition of the Headquarters complex in terms of safety, fire and building codes and mindful of the well-being of the staff, it is now imperative to proceed rapidly with its implementation. After having finally taken a decision last June on the project strategy, the Fifth Committee now has to pronounce itself on the financing of the project. It should do so before the end of the main session in order not to further delay the proposed timeframe.

Thank you, Mr. Chairman.