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STATEMENT BY
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PERMANENT REPRESENTATIVE OF MALAYSIA TO THE UNITED NATIONS

ON AGENDA ITEM 134:
PROGRAMME BUDGET BIENNIUM 2014-2015
CAPITAL MASTER PLAN

AT THE FIFTH COMMITTEE OF THE 68TH SESSION OF THE
GENERAL ASSEMBLY,
NEW YORK, 31 OCTOBER 2013

Mr. Chairman,

Let me begin by thanking Mr. Michael Adlerstein, Assistant Secretary General for Management for introducing the Report of the Secretary General on the Eleventh Annual Progress Report on the Implementation of the Capital Master Plan as contained in document A/68/352. I would also like to thank Mr. Hugh O'Farrell, Chair of the Audit Operations Committee for Board of Auditors (BOA), Mr. Carlos Ruiz Massieu, Chairman of the ACABQ for introducing their reports regarding the status of the Capital Master Plan (CMP) as contained in documents A/68/5 Vol. V and A/68/551. My delegation is of the view that the reports submitted by the respective parties have provided Member States the necessary updates on pertinent issues regarding the completion of this important project.

2. My delegation wishes to associate itself with the statement made by Fiji, on behalf of the Group of 77 and China.

Mr. Chairman,

3. Since it was conceived, the Capital Master Plan was a project destined to benefit all Member States by improving the condition of the United Nations Headquarters with better and more modern facility and infrastructure. Fifteen years have passed and today the renovation project of the United Nations facilities is nearing its completion. In this regard, Malaysia would like to take this opportunity to extend its thanks to all members of the UN Secretariat, the project managers and those who are involved in the project.

4. As we move into the final year of the implementation of the CMP, Malaysia takes note that the report of the Secretary General estimates that the cost of completing the Capital Master Plan project stands at US\$2.114 billion. This is 11.9 percent higher than

the approved budget as authorized by the General Assembly in resolution A/61/251 in 2006. While the estimated figure shows a major increase, Malaysia would continue to support for the completion of the Project in a timely manner.

Mr. Chairman,

5. While we believe substantial progresses have been achieved over the implementation of the CMP, Malaysia is also deeply concerned with the cost overrun of US\$224.4 million as reported by the Secretary General. The Secretariat should exert all means necessary to absorb the cost overrun under the CMP budget. At the same time, we are equally concerned with the additional cost of US\$141.4 million reflected as the associated costs and the US\$15 million needed for the secondary data center. As these items were never part of the CMP budget, we also call on the Secretariat to identify ways and means in addressing them with a view to absorb the cost increase.

6. In view of the increasing costs, Malaysia wishes to underscore the measure reflected in the Report of the Board of Auditors, regarding the proposal to reduce the cost of overrun through the use of the working capital reserve and the accumulated interest earned on advance funding as a means to finance the cost accumulated over the years. The ACABQ in its report also did not object to utilize the accumulated interest and the working capital reserve in overcoming the shortfall. Further deliberations regarding this measure should continue until Member States are satisfied with the explanation from the Secretariat on the avenues to finance the cost overrun, the associated costs and the secondary data center.

Mr. Chairman,

7. My delegation wishes to underscore the importance for the renovation of the General Assembly Hall to be completed in a timely manner. We have seen the complications and inconveniences experienced by all Member States when utilizing the make-shift General Assembly hall at the North Lawn Building during the 68th Session of the UN General Assembly. In this connection, my delegation would like to call on the Secretariat to ensure for a timely delivery of the renovated General Assembly Hall before the 69th Session of the UN General Assembly.

8. Malaysia is also concerned with the report of the Secretary General which calls for the renovation of the Dag Hammarskjold Library and the South Annex building to be suspended. The renovation of the Library and the South Annex Building are an important part of the CMP. While taking note of the security requirements and construction methods used in the two buildings, the Committee should consider the issue closely as the renovation should be completed within the specified costs under the CMP budget.

Mr. Chairman,

9. My delegation also takes note of the recommendations made by the Board of Auditors and the Office of Internal Oversight Services as echoed in the Secretary General's report. The UN Secretariat and the Office of the Capital Master Plan should seriously consider the recommendations and implement them to improve decision making and cost projection of the Capital Master Plan.

10. Apart from that, my delegation also wishes to underscore the relevance of the report of the ACABQ, including its conclusion and recommendations. The ACABQ report underlines important elements that Member States and the Secretariat should closely consider to ensure for a timely completion of the Capital Master Plan.

Mr. Chairman,

11. Malaysia holds the view that the Capital Master Plan must be completed in a timely manner and within its approved budget of the CMP. However, Malaysia remains pragmatic that the CMP is not impervious to inflations or cost overruns. Despite this, Malaysia would seek for the Secretariat to identify all avenues to mitigate the estimated shortfall and cost overruns to the CMP by any means possible.

12. My delegation remains ready to engage in the forthcoming deliberations on the agenda item. We look forward to working closely with the all parties in coming to a successful conclusion to the matter.

I thank you, Mr. Chairman.