

**STATEMENT OF ASG LOUIS F. REUTER  
TO THE FIFTH COMMITTEE  
16 June 2006**

**UNITED NATIONS CAPITAL MASTER PLAN  
REPORT OF THE SECRETARY-GENERAL A/60/874**

Mr. Chairman, distinguished delegates,

I am here today to introduce to you the Secretary-General's report on the Capital Master Plan (CMP) – document A/60/874 – which contains the business analysis for construction of a permanent office building on the North Lawn, as requested in paragraph 7 of General Assembly Resolution A/RES/60/256 of 19 May 2006.

A 3-week initial analysis was undertaken, at no cost, which indicates that a cost advantage in the long term is to be accomplished with such a building. The analysis was limited to the economic aspects, and did not take into account a comprehensive analysis of security, architectural and host city and community issues. The cost of a full study is estimated at some 1 percent of the cost of construction and would take at least one year to complete.

However, given the state of the existing UN buildings and the urgent need for renovation, the Secretary-General recommends that the matter of a long-term real estate strategy be considered separately, and be made independently of the decision on the strategy on the Capital Master Plan. Let me point that we do not need this permanent office building on the North Lawn for a successful execution of the Capital Master Plan.

In this connection, allow me to reiterate, distinguished delegates, the outstanding decisions and approvals on the recommendations originally presented to you in report A/60/550 of 11 November 2005, which are:

- a. Approval of strategy IV (phased approach) for implementation of the Capital Master Plan;
- b. Approval of a project budget of \$1,587.8 million of strategy IV, excluding potential scope options;

- c. Approval of the funding plan for the Capital Master Plan based on a multi-year member states direct assessment. The funding approval is now becoming critical, if we are to allow for the time required for the national legislatures to conclude their respective budget cycles in time to provide the required initial funding for construction take-off.

In order to prevent further cost escalation for the inevitable renovation of the existing buildings, I urge you to act on the recommendations as contained in A/60/550 without further delay, and leave consideration of the possibility of a permanent structure on the North Lawn in the context of a long-term real estate strategy, for a later date.

The time has come to take the “Plan” out from “Capital Master Plan” and to replace it by “Project” - “Capital Master Project”.

I thank you for your consideration.