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Held at Headquarters, New York, on Friday, 6 December 2019, at 10 a.m.

Chair: Mr. Mavroyiannis. (Cyprus)
*Vice-Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Ms. Maciel

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The meeting was called to order at 10.05 a.m.

Agenda item 135: Proposed programme budget for 2020 (continued)

*Construction and property management
(continued)*

*Progress in the renovation of Africa Hall
and the construction of new office facilities
at the Economic Commission for Africa in
Addis Ababa (A/74/7/Add.19 and A/74/328)*

*Implementation of a flexible workplace at
United Nations Headquarters
(A/74/7/Add.18 and A/74/345)*

1. **Mr. Guazo** (Director, Finance Division), introducing the fourth progress report of the Secretary-General on the renovation of Africa Hall and the construction of new office facilities at the Economic Commission for Africa (ECA) in Addis Ababa (A/74/328), said that, with respect to the new office facilities, the retention funds had been released to the contractor, drawing the project to a close.

2. Turning to the renovation of Africa Hall, he said that the early decanting works, which had commenced in January 2018, were nearing completion. The construction contract for the main renovation works had been signed in May 2019. The contractor had experienced difficulties mobilizing resources for the project, but construction was expected to commence in the near future. Owing to delays in the appointment of the contractor, the project was scheduled to be delivered 11 months later than initially planned, in December 2022. The project team was monitoring the schedule closely and would implement mitigating measures as required to avoid further delays. Considerable progress had been made in negotiations with the host country regarding the lease of land for use as a parking area for visitors to the Africa Hall permanent exhibition and visitors' centre, and an agreement was expected to be signed shortly.

3. The General Assembly was requested to take note of the progress made in the reporting period; take note of the revised cost plan; and appropriate an amount of \$8,434,100 for planned project activities in 2020.

4. **Mr. Carey** (Director, Division of Administration), introducing the Secretary-General's fourth annual progress report on the implementation of a flexible workplace at United Nations Headquarters (A/74/345), said that the report provided an update on the status of the project since the third annual progress report (A/73/370 and A/73/370/Corr.1) and included responses to requests contained in General Assembly

resolution 73/279 A. The implementation of the project had proceeded in accordance with the project plan and budget, and had continued to create efficiencies in terms of capacity.

5. A total of 17 floors in the Secretariat Building had been reconfigured to a flexible workplace. As a result, capacity for 1,106 staff members had been added, bringing the total number of staff in the Building working in a flexible workplace to 2,200. The project had provided increased flexibility to accommodate the organizational changes approved by the General Assembly with respect to the reform proposals of the Secretary-General in the areas of peace and security, the development system and management. The reconfiguration of the 25th and 26th floors would begin in December 2019; once renovated, the floors would be occupied by the Development Coordination Office. It was estimated that renovating the remaining floors of the Secretariat Building would create capacity for 262 additional staff members, resulting in an overall capacity increase of 1,368 since the start of the project. That figure was higher than the estimate provided in the previous report of the Secretary-General.

6. A survey of the occupants of five reconfigured floors had been carried out in May 2019. The overall staff satisfaction score was lower than in 2018, when the previous occupant survey had been conducted, but higher than the baseline assessment conducted in 2014 prior to the implementation of the flexible workplace project. The survey results varied from one floor to another, with staff reporting greater satisfaction on those floors where the recommended flexible workplace protocols were being followed.

7. The report set out an updated schedule for the completion of the remaining floors in 2020. The overall cost and timeline remained unchanged from the project plan presented in the Secretary-General's second annual progress report (A/72/379), with the exception of additional funding of \$378,000 to conduct an independent evaluation of the flexible workplace project, as recommended by the Advisory Committee on Administrative and Budgetary Questions.

8. The General Assembly was requested to take note of the project plan and its estimated cost; approve the continuation of the project and the three temporary project management positions; and appropriate an amount of \$8,309,700 for project costs and an independent evaluation of the project in 2020.

9. **Ms. Maciel** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on progress in the renovation of Africa Hall

and the construction of new office facilities at ECA (A/74/7/Add.19), said that the Advisory Committee welcomed the completion of the new office facilities and the ancillary works.

10. With respect to the renovation of Africa Hall, the Advisory Committee noted with concern the slippage of 11 months in the overall project schedule and the possibility of even further delays. There were currently many unknown factors with respect to the start-up of the works to be undertaken by the contractor. The Advisory Committee trusted that the Secretary-General would provide the General Assembly with detailed updates on the status of the work of the contractor and the implementation plan, timeline and final completion date. In addition, the Advisory Committee trusted that the Secretary-General would closely monitor and implement the necessary risk mitigation measures to ensure that the project was delivered within the scope, budget and timeline approved by the Assembly. The envisaged energy efficiency gains and resulting cost savings must be measured. ECA should ensure that knowledge gained from other United Nations construction projects was incorporated into the project where feasible.

11. The Advisory Committee looked forward to examining the Commission's assessment of the visitors' centre, including admission options for various visitor groups. The assessment was expected to be presented in the Secretary-General's next annual progress report. Given the historical significance of Africa Hall, the Advisory Committee was of the view that Africa Hall and the visitors' centre should be open to all, regardless of ability to pay.

12. Introducing the report of the Advisory Committee on progress in the implementation of a flexible workplace at United Nations Headquarters (A/74/7/Add.18), she said that the estimated total cost of the project remained unchanged from the amount of \$54,981,400 projected in the second progress report of the Secretary-General (A/72/379). The Secretariat intended to conclude the project by the end of the third quarter of 2020, in line with the timeline outlined in the second progress report. The Advisory Committee concurred with the recommendation of the Board of Auditors that the Administration closely monitor and manage the remaining works to ensure completion of the project in 2020, within the estimated cost.

13. There was a lack of information and transparency with respect to the planning and costs of rental leases in the Secretary-General's report (A/74/345), including information on the planned relocation of staff from the 4th and 5th floors of the FF Building. Taking into

account the scheduled relocation from the 5th floor of the FF Building in December 2019, the Advisory Committee recommended that the amount of \$1,135,752 for the rental of the floor requested under subsection 29B, Department of Operational Support, in the proposed programme budget for 2020, be reduced accordingly. Furthermore, the Advisory Committee trusted that more detailed information would be provided to the General Assembly concerning the schedule of the relocation from the 4th floor of the FF Building.

14. An assessment of the flexible workplace pilot had not been conducted, despite repeated requests by the General Assembly since 2015. An independent evaluation of the flexible workplace project, endorsed by the Assembly in its resolution 73/279 A, had also not been carried out. Since the Assembly's initial request, the flexible workplace project had progressed from the pilot phase to full implementation. Further efforts should be made to approach an internal independent entity undertake an evaluation of the project. Given that the project was already in its final stage and scheduled for completion in 2020, the Advisory Committee was not convinced of the need to engage an external consultancy firm to conduct an evaluation, and therefore recommended against the proposed resources of \$378,000.

15. The total cost of the remaining project activities was estimated at \$7,931,700. The Advisory Committee recommended approval of the continuation of the project management team and the appropriation of the resource requirements for the project for 2020.

16. **Mr. Katkhuda** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China on the matter of progress in the renovation of Africa Hall and the construction of new office facilities at ECA, noted with appreciation the continued support of the Government of Ethiopia for ECA and trusted that the Secretary-General would continue to engage with the host country authorities, the Stakeholders Committee and the Advisory Board to facilitate the successful completion of the Africa Hall renovation project.

17. The Group was pleased that the new office facilities and the ancillary works were complete and that the final completion certificate had been issued in October 2018. The Group was of the view that engagement among the ECA project team, the contractor and the consultants had been helpful in managing project risks.

18. The Group had taken note of the progress made with respect to the renovation of Africa Hall. Given the

building's historical significance, it must be preserved and renovated in a manner that respected the original design and appearance, while ensuring compliance with international best practices. The utmost care must be taken by the on-site renovation team, while Headquarters should ensure effective coordination and build strong partnerships with all stakeholders.

19. Given the multidisciplinary expertise required for the renovation project, the Group welcomed the hiring of consultants with expertise in exhibition curation, artwork restoration and information technology. However, the hiring process for the communications services consultant and the resource mobilization expert that ECA also intended to engage lacked clarity and the Group would therefore seek an explanation during the informal consultations. In addition, the Group encouraged the Secretary-General to utilize local knowledge, materials, technology and capacity for both the implementation and the coordination of the project.

20. Effective governance, oversight, transparency and accountability were essential to ensuring that the project was completed within the approved budget and timeline. The Group wished to draw attention to the recommendations of the Office of Internal Oversight Services, following its fourth annual internal audit of the renovation project, on the need to expedite project activities and avoid delays. In informal consultations, the Group would seek further information on the steps being taken to implement those recommendations. It would also seek clarification regarding efforts to keep owner-directed changes to a minimum and improve the procurement process. Given the slight decrease in the confidence level to deliver the project within the maximum overall approved budget and the current schedule delays, the Secretary-General should make every effort to ensure the timely implementation of the main works package. The project management team should specify how it intended to avoid further delays and cost overruns.

21. The Group was pleased that the design development for the permanent exhibition area of Africa Hall was at an advanced stage and was expected to be ready by the end of 2019. He hoped that the involvement of the African World Heritage Fund, an official partner of the United Nations Educational, Scientific and Cultural Organization (UNESCO), would lead to the exhibition being formally recognized by UNESCO.

22. The Group welcomed the signing of a project-specific agreement between ECA and the Government of Ethiopia setting out operational arrangements for customs processing, which had facilitated the timely importation of construction materials. The Group was

confident that the United Nations and the Addis Ababa city administration would shortly sign a lease agreement permitting ECA to use a parcel of land, at no cost, for vehicle parking.

23. **Mr. Mmalane** (Botswana), speaking on behalf of the Group of African States, said that the Group attached great importance to the Africa Hall renovation project owing to the symbolic and historical significance of the building. The Group expressed its gratitude to the Government of Ethiopia for its continued support of ECA, including the donation of the building and the agreement conferring privileges and immunities related to the implementation of the project, as well as the soon-to-be signed lease for the use of a parcel of land for vehicle parking for a duration of 60 years, with the possibility of an extension. The Secretary-General should continue to work with the host country to ensure the success of the renovation project.

24. The Group welcomed the successful completion of the new office facilities and ancillary works and the issuance of the final completion certificate. The lessons learned from that project, including the setting of benchmarks, should be taken into account by the Organization when implementing other projects on the continent.

25. The Group appreciated the Secretary-General's commitment to preserving the historical and architectural integrity of Africa Hall. The Organization should continue to engage with key stakeholders, including the Government of Ethiopia, the African Union and UNESCO. The Group would seek further information regarding the use of local knowledge, materials, technology and capacity.

26. The Group welcomed the voluntary contributions made to the project, including from the Government of Mali, and encouraged the Secretary-General to continue to engage with Member States to seek voluntary contributions and other forms of support for the renovation of Africa Hall. The Group would seek further information regarding the Commission's intention to engage an expert to support the development of a detailed resource mobilization action plan.

27. While the Group was pleased that the Secretary-General intended to deliver the project within the maximum overall budget of \$56.9 million approved by the General Assembly, it was concerned about the slippage of the project schedule by 11 months and the possibility of further delays. The Group would seek information regarding the risk mitigation measures implemented to ensure that the project was delivered within the scope, budget and timeline approved by the Assembly.

28. The visitors' centre should be open to as many people as possible. The Group would participate in the refinement of the business case for the visitors' centre, with a view to incorporating different admission options for various visitor groups, including African veterans, students and academics, local residents and international visitors.

29. **Mr. Amde** (Ethiopia) said that his delegation welcomed the completion of the new office facilities and the ancillary works. The Government of Ethiopia remained committed to supporting ECA and was working closely with the project team to facilitate the renovation of Africa Hall by providing all necessary support. In 2018, his Government had signed a project-specific agreement with ECA on customs and import processing and the issuance of work visas for expatriates, with a view to ensuring the timely completion of the project.

30. The Addis Ababa city administration was preparing to sign the lease agreement for the parcel of land needed for visitors' parking, as an in-kind contribution to the renovation project. The Ethiopian authorities viewed the project as part of broader national efforts to "green" Addis Ababa. In that connection, he encouraged ECA and the project team to coordinate with the Addis Ababa city administration in order to align the Africa Hall renovation project with the so-called "Beautifying Sheger" initiative and the recent renovation of the national palace.

31. Additional efforts were needed to raise awareness of Africa Hall and the African heritage and history it represented, including through partnerships with academic institutions and regional and international museums. Africa Hall should be open to all categories of visitors, including tourists, researchers and local residents, regardless of their ability to pay. Children and students should be exempt from paying an entrance fee.

32. Ethiopia was working to build a climate-resilient green economy. Accordingly, ECA and the project team should use clean energy sources and take appropriate precautionary measures during the removal of debris and potentially hazardous materials. It was also important to ensure the use of local knowledge, materials and capacity during the renovation and construction works.

33. **Mr. Katkhuda** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China on the implementation of a flexible workplace at United Nations Headquarters, said that while the Group recognized the impact of transformational initiatives that contributed to a more effective, adaptable and modern United Nations, such initiatives should be

implemented in a manner that acknowledged the financial constraints the Organization faced, as well as evolving work practices and the needs of staff.

34. The Group welcomed the update on the status of the flexible workplace project and concurred with the recommendation of the Board of Auditors and the Advisory Committee that the Administration closely monitor the remaining works to ensure completion of the project in 2020, within the estimated cost. Given that the project was expected to create even more capacity in the Secretariat Building, the Group looked forward to receiving more detailed information on the status of the termination of leases in commercial buildings, the potential reduction in rental costs arising from the relocation of staff members, and the related impact on the proposed resource level for the relevant section in the proposed programme budget for 2020.

35. The Group noted that the project was expected to be completed by the end of 2020, as indicated in the Secretary-General's second progress report. The total project cost had remained unchanged, at \$54,981,400, of which over \$34 million had been incurred during the period 2015–2018. The estimated cost to complete the project schedule in 2019 was \$13,049,200. Given that there would be no rental savings in the 2020 period, the Secretary-General was requesting the appropriation of the remaining \$7,931,700 for the final phases of the project work in 2020.

36. A well-substantiated, reliable and predictable business case was essential for the Committee's consideration of costly transformational initiatives, in particular when expenses were expected to exceed the overall projected cost and options for the self-financing of the project were not being implemented. The Group was also concerned that the flexible workplace project appeared to be having a negative impact on productivity, based on the occupant survey of May 2019. While the Group was supportive of the undertaking of an independent evaluation of the project, it would need to consider the utility of such an evaluation being conducted by an external consultancy firm, given that the project was in its final stage. The Group would consider the merits of using in-house expertise, although it was cognizant of the heavy programmes of work of both the Office of Internal Oversight Services and the Board of Auditors.

37. The implementation of a flexible workplace was not simply a question of space management; it involved the holistic arrangement of physical spaces, information and communications technology and human resources. Enhanced information technology support and revised human resources policies were needed. The Group

looked forward to discussing the lessons learned to date, including with regard to flexible working arrangements, and was pleased that the Secretary-General had issued a new bulletin ([ST/SGB/2019/3](#)) and an information circular ([ST/IC/2019/15](#)) on flexible working arrangements.

Other matters

38. **The Chair** said that, as the Committee had yet to consider a number of items, he had requested the extension its programme of work at the main part of the session until 24 December, to ensure that the Committee could continue its deliberations with the appropriate conference services and without being affected by the measures introduced by the Secretary-General in response to the liquidity problems facing the Organization. On behalf of the President of the General Assembly, he urged all delegations to do their utmost to facilitate the timely conclusion of the Committee's work.

The meeting rose at 10.50 a.m.