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### Proposed programme budget for 2025

## **Third annual progress report on the Gigiri master plan addressing the deteriorating conditions and limited capacity of the conference services facilities at the United Nations Office at Nairobi**

### **Fourteenth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2025**

#### **I. Introduction**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the third annual progress report of the Secretary-General on the Gigiri master plan addressing the deteriorating conditions and limited capacity of the conference facilities at the United Nations Office at Nairobi ([A/79/345](#)). During its consideration of the report, the Committee received additional information and clarifications, concluding with written responses dated 17 October 2024.

2. The Advisory Committee recalls that the United Nations Office at Nairobi conference services facilities project is one of the major construction projects identified in the report of the Secretary-General on the strategic capital review.<sup>1</sup> In his report of 2 October 2019 ([A/74/471](#)), the Secretary-General submitted his initial proposal pursuant to paragraph 29 of General Assembly resolution [73/270](#) on the pattern of conferences, in which the Assembly requested the Secretary-General to provide detailed information regarding the possible renovation work aimed at addressing the deteriorating conditions and the limited capacity of the conference services facility at the Office.

3. The most recent report of the Secretary-General ([A/79/345](#)) is submitted pursuant to General Assembly resolution [78/253](#) (sect. XV) and provides an update on the project since the issuance of the previous progress report ([A/78/382](#) and

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<sup>1</sup> The Advisory Committee provided related observations and recommendations in its most recent report on the strategic capital review ([A/72/7/Add.9](#)) and addressed specific matters regarding the United Nations Office at Nairobi conference services facilities project in previous reports ([A/78/7/Add.10](#), [A/77/7/Add.15](#), [A/76/7/Add.28](#), [A/75/7/Add.37](#) and [A/74/7/Add.22](#)).



[A/78/382/Corr.1](#)) in areas related to governance, project management and recruitment, risk management, design activities and procurement during the period from 1 August 2023 to 31 August 2024. The Secretary-General indicates that the project remains within the scope, schedule and maximum overall cost of \$265,659,200 as approved by the Assembly in its resolution [78/253](#) (sect. XV) ([A/79/345](#), para. 1).

## II. Progress made during the reporting period

### A. Cooperation with the host country and other Member States, and voluntary contributions

4. In his report, the Secretary-General indicates that the Government of Kenya facilitated significant infrastructure upgrades in the vicinity of the Gigiri compound, which directly supported the objectives of the project, such as the widening of UN Avenue and improvements to Internet connectivity and the water drainage system in the area. In addition, the Government streamlined some administrative processes related to diplomatic privileges and immunities, which indirectly supported the smooth provision of conference services within the compound (*ibid.*, paras. 19 (c) and 53). **The Advisory Committee again expresses its gratitude to the host country for its continued support to the United Nations Office at Nairobi and trusts that the Secretary-General will continue to engage with the host country to ensure the success of the project (see also [A/78/7/Add.10](#), para. 5).**

5. In its resolution [78/253](#), the General Assembly reiterated its request that the Secretary-General remain proactive in seeking both voluntary and in-kind contributions from Member States, in full compliance with all relevant rules and regulations of the Organization, and provide detailed information on the matter in the context of his next progress report (resolution [78/253](#), sect. XV, para. 5). The Assembly also noted that the commencement of the design phase allowed for voluntary contributions and other forms of support to be sought, which might potentially contribute to offsetting the overall cost of the project (*ibid.*, para. 9). The Secretary-General indicates in his report that the conceptual design of the project was completed in July 2024 and will be utilized to develop a compendium of potential work for donor opportunities ([A/79/345](#), para. 56). Upon enquiry, the Advisory Committee was informed that the compendium, which was tentatively expected by October 2024, would be widely distributed to Member States and that potential donor opportunities included works of art, room interior finishes and furnishings, gardens and plantings, as well as installations, such as solar panels and electric vehicle charging stations. **The Advisory Committee stresses the importance of continued engagement by the Secretary-General to seek both voluntary and in-kind contributions from Member States and other potential donors, drawing from lessons learned in other capital projects and in full compliance with all relevant rules and regulations, and looks forward to updated information in the next progress report (see also [A/78/7/Add.10](#), para. 6).**

### B. Project governance

6. The Secretary-General indicates that the overall governance structure for the project as set out in annex I to his report to the General Assembly at its seventy-sixth session ([A/76/400](#) and [A/76/400/Corr.1](#)) remains unchanged ([A/79/345](#), para. 17). Information on the activities undertaken during the reporting period by the Director-General of the United Nations Office at Nairobi in her role as project owner, the Advisory Board, the Steering Committee and the Stakeholders Committee is included

in paragraphs 18 to 25 of the most recent report of the Secretary-General. It is also indicated that the Global Asset Management Policy Service at United Nations Headquarters continued to coordinate with the project management team, in step with its coordination function across capital construction projects in the Secretariat (*ibid.*, paras. 26–27). **The Advisory Committee encourages the Secretary-General to continue to closely monitor the implementation of this project and ensure its delivery within the scope, budget and timeline approved by the General Assembly.**

*Project management team*

7. The General Assembly has approved the establishment of 20 temporary project positions (1 D-1, 2 P-5, 5 P-4, 4 P-3, 1 P-2, 4 National Professional Officer and 3 Local level) for the project team, which comprises the Front Office, the Design and Construction Section, the Programme Management Section and the Operational Support Team (*ibid.*, para. 28). Upon enquiry, the Advisory Committee was informed that, as at 27 September 2024, 15 positions were encumbered. Of the remaining five vacant positions, three (2 P-3 and 1 National Professional Officer) were at the onboarding stage and two (1 P-4 and 1 P-3) were under recruitment, with the expectation that all positions would be encumbered by the end of the year. The Facilities Management Officer (P-3) from the replacement of office blocks A to J project joined the Gigiri master plan team on 1 August 2024, and, where feasible and appropriate, the Gigiri master plan team will consider taking on staff of the replacement of office blocks A to J project team to enhance lessons learned and synergies between the two projects (see para. 26 below).

8. The Secretary-General proposes the establishment of an additional six positions in 2025, in line with the project schedule and the start of the construction phase, as follows: one Project Coordinator (P-5) at Headquarters, in the Global Asset Management Policy Service; one Clerk of Works (architecture) (National Professional Officer); one Clerk of Works (mechanical, electrical and plumbing) (National Professional Officer); and three Security Officers (Local level) ([A/79/345](#), para. 36 and table 2). The requirement for the additional six staff in 2025 was outlined in the first annual progress report of the Secretary-General ([A/77/367](#) and [A/77/367/Corr.1](#)). At that time, however, the Project Coordinator position at Headquarters, currently proposed at the P-5 level, was envisaged to be at the P-4 level ([A/79/345](#), para. 37).

9. Upon enquiry, the Advisory Committee received information on the evolution of Headquarters functions and resources dedicated to supporting major construction projects (see annex). The information provided indicates that a unit, the Overseas Property Management and Construction Unit, was established within the then Office of General Services in 1988 to oversee and provide support to the construction of conference facilities at the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP), as well as office facilities at Nairobi. With the completion of those projects in 1996, the Unit ceased to exist. In the 2000s, a number of capital projects started, including the construction of additional conference facilities at the Vienna International Centre, the additional office facilities in Addis Ababa and the improvement and modernization of the conference facilities at Nairobi. Due to the lack of a dedicated team, Headquarters support was very limited. In response to a request from the General Assembly regarding the division of responsibility and accountability of Headquarters and local duty stations for construction and long-term renovation projects, the Secretariat proposed the creation of a dedicated unit. From 2010 to 2017, the newly approved Overseas Property Management Unit, under the Office of Central Support Services, provided guidance and support to major facilities-related projects at offices away from Headquarters, including at ECA, the United Nations Office at Nairobi, ESCAP and the Economic Commission for Latin America and the Caribbean (ECLAC) and

in Arusha, United Republic of Tanzania. In addition, the Unit led the development of a strategic capital review to formulate a 20-year capital programme and prioritization strategy for the global premises of the United Nations Secretariat. Since the workload had progressively increased, a proposal was made in 2018 to strengthen the team's capacity (1 P-5, 1 P-4 and 1 P-2) through the establishment of the Global Property Management Service within the Office of Central Support Services and the reclassification of the Chief, Overseas Property Management Unit (P-5) as Chief, Global Property Management Service (D-1). The Service comprised a total of seven posts and positions. In 2019, as part of the management reform, the oversight, technical guidance and coordination responsibilities carried out by the Global Property Management Service were transferred to the Global Asset Management Policy Service in the Field Operations Finance Division. By mid-2024, with the expiration of two Project Coordinator positions (1 P-4 and 1 P-3) and the abolishment of one P-2 post, the Service's capacity that was dedicated to supporting construction projects had been reduced to one D-1, two P-4 and one P-3 posts and positions, all funded under the regular budget.

10. In an audit conducted in 2023, the Office of Internal Oversight Services (OIOS) recommended the improvement of the in-house capacity of the Global Asset Management Policy Service to support capital construction projects in Secretariat entities for the duration of the remaining construction projects (see OIOS report No. 2023/017) ([A/79/345](#), para. 37). Upon enquiry, the Advisory Committee was informed that the proposed Project Coordinator (P-5) position would enable the Service to offer deeper interaction with the projects, support residual work for four major capital projects during closeout, provide closer and more proactive monitoring at Headquarters of risks, assist better capital expenditure budget formulation, and ensure greater coherence across projects. The position would also be responsible for conducting lessons learned exercises and promoting best practices. Since the position is expected to support, in addition to the Gigiri master plan, the major capital projects in Addis Ababa, Bangkok and Santiago until the end of 2025, the replacement of office blocks A to J project until the end of 2026 and the strategic heritage plan of the United Nations Office at Geneva until the end of 2029, the Secretariat considered it appropriate that the position be cost-shared.

11. **The Advisory Committee recalls that the General Assembly, in its resolution 78/253, emphasized that the Global Asset Management Policy Service should continue to be actively involved in providing oversight to ensure the central supervision of capital projects, including risk management and alignment with lessons learned. The Committee also recalls that it has previously considered the need for enhancing and strengthening existing technical coordination and oversight at Headquarters over capital projects, including through the establishment of a strong single technical coordination and oversight mechanism at the global level, comprising multidisciplinary expertise, supported by entity-level arrangements (see [A/78/7/Add.20](#), paras. 59 and 60; see also resolution 78/253, sect. V).**

12. **The Advisory Committee therefore recommends that the General Assembly request the Secretary-General to include in the proposed programme budget for 2026 a comprehensive assessment of the functions and capabilities of the Global Asset Management Policy Service, and the division of labour and responsibilities of the Service vis-à-vis other entities at Headquarters involved in capital projects, as well as project owners at the duty stations away from Headquarters, taking also into account considerations related to the delegation of authority. The assessment should also propose a single Headquarters coordination mechanism with the technical capacities, working closely with project owners to strengthen oversight, accountability, transparency, coherence and efficient management of**

resources across capital projects, as well as assets and equipment. Pending this assessment, and to ensure that ongoing projects and project closeouts are adequately supported at Headquarters, the Committee recommends the establishment of the proposed Project Coordinator (P-5) position until the end of 2025, on a cost-sharing basis with other projects, as appropriate. Information on the activities performed and results achieved as well as the established cost-sharing arrangements should be included in the next progress report. The Committee further discusses the governance and oversight of construction projects in its report on capital investment planning ([A/79/7/Add.15](#)).

#### *Audit of the Office of Internal Oversight Services*

13. It is indicated in the report of the Secretary-General that OIOS has started the audit of the Gigiri master plan. The fieldwork commenced in August 2024 and will conclude in October 2024 ([A/79/345](#), para. 38). **The Advisory Committee stresses the importance of governance, effective oversight, transparency and accountability in the management of the project (see also resolution 78/253, sect. XV, para. 17) and looks forward to receiving information on the ongoing audit of OIOS in the next progress report.**

### **C. Planning and design activities**

14. Since the award of the contract for design services in September 2023, design activities progressed on schedule and the first two design stages of the project (stage 1, project brief, and stage 2, conceptual design) were completed on 25 July 2024. The contractor is presently engaged in stage 3 (spatial coordination) of the four design phases ([A/79/345](#), paras. 6, 63 and 75–78).

15. Upon enquiry, the Advisory Committee was informed that the project remained within the scope approved by the General Assembly in resolution 78/253 (sect. XV) and was unchanged in relation to the programme, spaces, areas, functions and number of buildings and rooms since the previous report. However, the architectural design represented an evolution in the design, and slightly differed from the plan previously presented as option B in the first annual progress report of the Secretary-General ([A/77/367](#) and [A/77/367/Corr.1](#), figure VII). The updated site plan, representing the conceptual design as performed from October 2023 to July 2024, is presented in annex V to the most recent report of the Secretary-General. The Committee was informed that main differences were as follows:

(a) The new Assembly Hall is now located on the southern part of the complex, enabling same level connections at the ground floor with all other major parts of the complex for greater accessibility for persons with disabilities. In addition to providing a more balanced architectural layout, the new location allows for optimal roof exposure, where solar photovoltaic panels can be installed to maximize the environmental sustainability of this building;

(b) The delegates' dining hall location is now in close proximity to the conference areas for ease of access;

(c) A new VIP formal arrival area/vehicular drop-off is now located at the main entrance to the conference facility along the western end of the existing pedestrian concourse;

(d) The multifunctional covered external space has been renamed the multipurpose pavilion;

(e) The visitor entry pavilion and visitor centre are now named the visitors' centre and security pavilion. The separation of these two areas will enhance the

segregation of delegates, participants and visitors, significantly reducing the entry time related to security screening and related accreditations.

**16. While noting that, according to the Secretary-General, the design remains within the approved project scope, the Advisory Committee considers that all future construction progress reports should present any proposed changes to the design or scope with greater clarity and transparency, and include justifications and detailed information on the implications for the costs, schedule and objectives of the project (see also resolution 78/253, sect. XV, para. 10).**

*Local knowledge and locally sourced materials*

17. The Secretary-General indicates in his report that the use of local materials and construction methods features prominently in the design ([A/79/345](#), para. 57). Upon enquiry, the Advisory Committee was informed that the design services firm, which has a local partner in Nairobi, was committed to considering how the design should reflect its unique context, in terms of the existing site of the United Nations Office at Nairobi, climatic conditions, construction techniques prevalent in the region and long-term operations and maintenance requirements. In addition, the project management team included local and international staff with relevant experience in the region. **The Advisory Committee encourages the Secretary-General to continue to incorporate local knowledge, technology, capacity and the use of locally sourced and manufactured materials, as well as local labour and expertise, throughout the implementation of the project and provide updates on efficiency gains thereon in future progress reports (see also resolution 78/253, sect. XV, para. 15).**

## **D. Procurement activities**

18. A contract for design services was awarded and signed in September 2023, as indicated in the previous progress report of the Secretary-General ([A/78/382](#) and [A/78/382/Corr.1](#)). In addition, the independent risk management contract and the project management service contract were awarded during the reporting period.

*Provision of risk management services*

19. The procurement process for the independent risk management services began in March 2023. A total of 26 firms responded to the request for expression of interest ([A/79/345](#), paras. 64 and 65). The Advisory Committee recalls that the awarding of the contract was expected in October 2023 ([A/78/7/Add.10](#), para. 28). Upon enquiry, the Committee was informed that, despite the number of responses to the request for expression of interest and the bidders invited to submit tenders, only one firm submitted a bid. The firm was evaluated and deemed technically compliant. However, after the award of the design services contract, it became apparent that the sole bidder firm was a subcontractor to the design services consultant, which raised a potential conflict of interest due to the independent nature of the required services. According to the Secretariat, this situation could not have been foreseen earlier, as the design services contract had not been awarded when the tender process for risk management services was under way. The Committee was further informed that the risk management service contract was awarded on 26 September 2024, through an amendment to an existing contract with the vendor for the replacement of office blocks A to J project, for a period of two years, at a total cost of \$371,582. This ensured the provision of risk management services for the project while another bidding exercise was being conducted. A revised tender action is scheduled to commence in 2025.



*Provision of programme management services*

20. The procurement process for the programme management services contract began in 2023 and was expected to conclude in November 2023 (A/79/345, paras. 69–72, and A/78/7/Add.10, para. 28). Upon enquiry, the Advisory Committee was informed that the exercise had been cancelled, as the scope had been revised to exclude certain services that were either already provided by the programme management team or covered under the scope of the design services consultancy. The retendering exercise began on 24 January 2024 and concluded in June 2024. The contract was awarded to a South African company for a period of seven years, at a total cost of \$2,011,069.

21. **The Advisory Committee trusts that the Secretary-General will ensure oversight, transparency and strict adherence to the relevant legislative framework in the procurement of goods and services for the project. The Committee also trusts that more detailed information on subcontractors will be provided in the context of future progress reports.** The Committee further discusses procurement in construction projects in its report on capital investment planning (A/79/7/Add.15).

## **E. Risk management**

22. In his report, the Secretary-General indicates that integrated risk management activities are being performed at the project level by the project management team and its consultants and contractors. Specifically, the independent risk management firm will assess project risks and develop the overall project risk management strategy, the qualitative and quantitative risk assessment and the risk register. A risk register was established, and the first formal risk workshop was held on 1 August 2024 (A/79/345, paras. 39–46).

23. Upon enquiry, the Advisory Committee was informed that the main potential risks of the project identified to date pertained to the following categories: environmental and sustainability; governance; schedule; design; external risks/force majeure/political; operational; procurement; construction; financial; health and safety; and technological. Measures developed to mitigate the risk of price increases included detailed cost estimates produced by the design firm at the end of each design stage, which were independently reviewed by the programme management firm. The latter also produced independent cost estimates, and the two sets of estimates were reconciled at the conclusion of each stage. The reconciled cost estimates were reviewed by the project management team. Once the estimates were approved, the design firm proceeded with the next stage of the design and was liable to redesign if any element exceeded the budget, at no additional cost to the United Nations.

24. The Advisory Committee was also informed that regarding contractual risks, the United Nations Office at Nairobi would engage the Office of Legal Affairs to implement a modified International Federation of Consulting Engineers contract to ensure that potential legal and financial risks associated with construction projects were anticipated and properly managed. On the basis of lessons learned from previous capital projects, the main contractor would be required to provide a performance security in the form of a performance bond or bank guarantee in the event of non-performance or breach of contract. In addition, construction contracts usually had a retention clause, whereby the United Nations withheld an agreed percentage of each amount payable to the contractor until the project was substantially completed. The remaining amount was released upon final completion of the project, at the end of the defects liability period. **The Advisory Committee stresses the importance of adequate mitigation of contractual risks and the need for strengthened**

**accountability of managers and contractors for breach of contractual requirements.** The Committee further discusses related matters in its report on capital investment planning ([A/79/7/Add.15](#)).

25. The Secretary-General indicates in his report that he intends to conduct activities related to independent risk management services, including the first Monte Carlo analysis for the project, the results of which will be presented to the General Assembly at the main part of its eightieth session ([A/79/345](#), para. 106 (d)). Upon enquiry, the Advisory Committee was informed that areas that could be strengthened through the review and evaluation of practices in recent projects included the utility of the Monte Carlo simulation method in informing risks and risk mitigation measures, as well as its effectiveness in informing and forecasting resource requirements. **The Advisory Committee trusts that the Secretary-General will continue to closely and proactively monitor and mitigate risks to ensure the delivery of the project within the scope, budget and timeline approved by the General Assembly. In this respect, the Committee stresses the importance that the Gigiri master plan be supported, from its early phases, by effective and transparent risk management tools and that risks be adequately identified and mitigated to avoid additional costs at each stage of the project. To this end, the Committee is of the view that the Secretary-General should identify the most appropriate tool for this project, based on his review and evaluation of the statistical risk management methodologies and lessons learned across all United Nations construction projects, including the Monte Carlo simulation method, and provide information thereon in the next progress report (see also [A/79/7/Add.9](#), para. 9, and [A/78/7/Add.14](#), para. 10).** The Committee discusses the Monte Carlo simulation method for risk management in its report on the eleventh annual progress report on the strategic heritage plan of the United Nations Office at Geneva ([A/79/7/Add.12](#), paras. 23–26).

## F. Lessons learned

26. It is indicated in the report of the Secretary-General that members of the project team undertook lessons learned missions to Addis Ababa in February 2024 to meet with the Africa Hall project team and visit the construction site. Areas of focus included interoperability and standardization of conference room technology, maintaining business continuity in an operating facility and stakeholder coordination ([A/79/345](#), para. 60). The Global Asset Management Policy Service participated virtually in those missions, and the newly appointed Chief of Service visited the United Nations Office at Nairobi in 2024 (*ibid.*, para. 26). During the reporting period, the project team also continued to foster and promote linkages and synergies with the replacement of office blocks A to J project, including through the amendment of the existing risk management consulting contract and the recruitment of staff from that project (1 P-3) (see paras. 7 and 19 above). **The Advisory Committee trusts that applicable lessons learned and best practices from other United Nations construction and renovation projects will be applied throughout this project, and again stresses the key role of the Global Asset Management Policy Service in this respect (see also resolution [78/253](#), sect. XV, para. 20, [A/78/7/Add.10](#), para. 32, and paras. 10–12 above).** Furthermore, the Committee encourages the Secretary-General to continue to identify potential linkages and synergies between this project and the project for the replacement of office blocks A to J, or any other project under section 33, Construction, alteration, improvement and major maintenance, of the programme budget, particularly as it nears completion (see resolution [78/253](#), sect. XV, para. 14, and [A/78/7/Add.10](#), para. 27; see also [A/79/7/Add.11](#), para. 11).



## G. Utilization of the United Nations Office at Nairobi conference services facilities

27. The Secretary-General indicates that the United Nations Office at Nairobi continued its efforts to attract more intergovernmental meetings to the conference facilities, in line with General Assembly resolution [77/263](#) A (sect. VIII, para. 12) ([A/79/345](#), para. 11). Upon enquiry, the Advisory Committee was provided monthly and yearly information on the utilization rates of the conference facilities from 2019 to July 2024, as summarized in table 1.

Table 1  
**Utilization of the United Nations Office at Nairobi conference facilities, 2019–2024**  
(Percentage)

<i>Month</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
January	60	35	–	3	26	40
February	76	57	–	43	56	133
March	116	16	–	20	47	72
April	55	–	–	28	30	44
May	80	1	–	33	69	133
June	61	–	2	55	75	38
July	50	–	1	24	67	46
August	41	–	–	20	65	..
September	52	–	1	34	57	..
October	71	–	13	46	125	..
November	55	–	13	45	111	..
December	45	–	11	20	57	..

28. As shown in table 1, the utilization rate in 2024 was higher than in 2023. Upon enquiry, the Advisory Committee was informed that the sixth session of the United Nations Environment Assembly, which was held from 26 February to 1 March 2024, attracted over 5,600 participants and 160 government delegations. It was expected that the seventh session of the United Nations Environment Assembly, scheduled to take place from 8 to 12 December 2025, would attract an even higher number of participants and Heads of State and Government. **The Advisory Committee encourages the Secretary-General to continue his efforts to attract more United Nations intergovernmental meetings, as appropriate, and increase the utilization of the conference facilities (see also resolution [78/253](#), sect. XV, para. 8). The Committee looks forward to receiving updated information, along with projected utilization rates for future meetings, in the next progress reports.**

## III. Project schedule

29. The Secretary-General indicates that the project forecast for substantial completion in September 2029 remains unchanged from the previous reports. Substantial completion will be followed by the customary one-year closeout period to complete all contractual obligations and monitor the completed works as part of the contractors' defects liability period. The Secretary-General further indicates that no significant changes were made to the project schedule and implementation strategy, which includes three definite construction phases, as follows: (a) phase 1,

early works (also defined as enabling works) and new construction; (b) phase 2, renovation of existing buildings; and (c) phase 3, linkages (of phases 1 and 2), which refers to the need to perform minor work to physically connect the prior phases and complete the project. The development of the conceptual design confirmed the need to start project implementation with the construction of the new Assembly Hall and multipurpose pavilion in order to provide swing space during the renovation phase of the project (A/79/345, paras. 92, 93 and 96–98). The updated project schedule as at 31 August 2024 is reflected in the figure below, which also provides a comparison of the updated milestone dates with those included in the previous progress report.

### Project schedule as at 31 August 2024

Phase/year	Start	End	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Planning and design phase</b>												
Planning	1 Jun 2021	15 Sep 2023										
	1 Jun 2021	15 Sep 2023										
Procurement: design	1 Sep 2022	15 Sep 2023										
	1 Sep 2022	15 Sep 2023										
Design and documentation	18 Sep 2023	30 Mar 2025										
	18 Sep 2023	30 Jun 2025										
Procurement: early works	1 Jul 2024	30 Mar 2025										
	1 Jul 2024	30 Mar 2025										
Procurement: construction	1 Apr 2025	30 Jan 2026										
	1 Apr 2025	30 Jan 2026										
<b>Construction phase</b>												
Phase 1: early works	1 May 2025	31 Jan 2026										
	1 May 2025	31 Jan 2026										
Phase 1: new buildings	1 Feb 2026	31 Jul 2027										
	1 Feb 2026	31 Jul 2027										
Decant to new buildings	1 Aug 2027	30 Sep 2027										
	1 Aug 2027	30 Sep 2027										
Phase 2: renovate existing buildings	1 Oct 2027	31 Mar 2029										
	1 Oct 2027	31 Mar 2029										
Phase 3: linkages (old and new)	1 Apr 2029	30 Sep 2029										
	1 Apr 2029	30 Sep 2029										
<b>Closeout phase</b>												
Closeout	1 Oct 2029	30 Sep 2030										
	1 Oct 2029	30 Sep 2030										

Schedule according to A/78/382  
Schedule according to the present report

30. The design and documentation phase was extended by three months compared with the schedule presented in the previous progress report (A/78/382 and A/78/382/Corr.1) and approved by the General Assembly (resolution 78/253, sect. XV, para. 12). The three-month delay in the design is related to a change in the design phasing strategy, as proposed by the design services firm (A/79/345, para. 95). Upon enquiry, the Advisory Committee was informed that initially the schedule had called for the completion of stages 1 and 2 of the design to be performed at once for the entire project, with stages 3 and 4 to be carried out in a staggered manner. During the development of the design, the architectural firm had determined that it would be beneficial to complete stage 3 of the design concurrently for all phases of the project. By combining the portions of scope to be designed under stage 3, the works would take nine months to complete instead of the previously envisaged six months. However, according to the Secretariat, due to early construction works to be undertaken in 2025, the three-month delay was not expected to have any adverse effect on the overall completion of the project in September 2029. **The Advisory Committee notes a delay of three months during the reporting period. The Committee trusts that every effort will be made to avoid any further delays and to achieve substantial completion of the project by September 2029, within its approved scope and budget.**

## IV. Estimated project costs, project expenditures and resource requirements for 2025

31. In its resolutions [76/246 A](#), [77/263 A](#) and [78/253](#), the General Assembly appropriated a total amount of \$19,955,700 for the project for the period 2022–2024, comprising: (a) \$5,314,800 under section 29D, United Nations Office at Nairobi; and (b) \$14,640,900 under section 33, Construction, alteration, improvement and major maintenance, of the programme budget. The cumulative expenditure as at 31 July 2024 amounts to \$9,339,700. The total projected expenditure from 2022 to 2024 amounts to \$17,145,000. It is projected that a cumulative unused balance of \$2,810,700 will remain at the end of 2024, owing mainly to underexpenditure for professional services due to slight delays in the initial contract awards. The overall cost plan for the project remains unchanged, although there has been a redistribution of costs between 2022 and 2025 to reflect expenditure for professional services and project management. The revised cost plan is contained in annex I to the report of the Secretary-General ([A/79/345](#), paras. 100–103). **The Advisory Committee trusts that updated information on expenditures for 2024 and projected unused fund balances will be provided to the General Assembly at the time of its consideration of the present report.**

Table 2  
**Resource requirements for 2025**

(Thousands of United States dollars)

	<i>Projected expenditure in 2025</i>	<i>Projected unused balance at the end of 2024</i>	<i>Net funding requirement in 2025</i>
<i>Option B</i>	<i>(a)</i>	<i>(b)</i>	<i>(c)=(a)–(b)</i>
<b>Section 33, Construction, alteration, improvement and major maintenance</b>			
1. Construction costs: building	12 173.9	–	12 173.9
2. Professional services	5 893.1	2 644.3	3 248.8
3. Escalation	2 121.2	–	2 121.2
4. Contingency	1 915.3	–	1 915.3
<b>Subtotal, section 33</b>	<b>22 103.5</b>	<b>2 644.3</b>	<b>19 459.2</b>
<b>Section 29D, United Nations Office at Nairobi</b>			
5. Project management	3 776.5	166.4	3 610.1
<b>Subtotal, section 29D</b>	<b>3 776.5</b>	<b>166.4</b>	<b>3 610.1</b>
<b>Section 34, Safety and security</b>			
6. Security requirements	62.7	–	62.7
<b>Subtotal, section 34</b>	<b>62.7</b>	<b>–</b>	<b>62.7</b>
<b>Total</b>	<b>25 942.7</b>	<b>2 810.7</b>	<b>23 132.0</b>

32. As shown in table 2 above and in paragraph 105 of the report of the Secretary-General, the projected requirements for 2025 amount to \$25,942,700, which would be funded from appropriations made in previous years by Member States and the appropriation requested in the report of the Secretary-General. Given that the General Assembly, in its resolution [77/263 A](#) (sect. VIII, para. 20), decided to establish a multi-year construction in-progress account for the project, the anticipated unused balance of \$2,810,700 from Member States' appropriation at the end of 2024 will be carried

forward and partly cover the funding requirements in 2025. Consequently, the net resource requirements to be appropriated for 2025 amount to \$23,132,000, comprising:

(a) \$19,459,200 under section 33, Construction, alteration, improvement and major maintenance, which would provide for: (i) \$12,173,900 for construction of early works and new buildings; (ii) \$3,248,800 for professional services; (iii) \$2,121,200 for escalation provision; and (iv) \$1,915,300 for contingency provision;

(b) \$3,610,100 under section 29D, United Nations Office at Nairobi, for the project management team, including for travel of the team;

(c) \$62,700 under section 34, Safety and security, which would provide for three security officers deployed during the construction phase of the project.

### *Contingency*

33. It is stated in the report of the Secretary-General that the level of the contingency provision was determined by applying a rate of 10 per cent to the construction costs under the new construction portion of the project scope and a rate of 15 per cent to the construction costs of the renovation portion of the project scope. No contingency funding has been used thus far on the project. In line with General Assembly resolutions [71/272 A](#) and [72/262 A](#), any unspent contingency will be returned to Member States at the end of the project ([A/79/345](#), paras. 47 and 49). Upon enquiry, the Advisory Committee was informed that the contingency rate differed from that of the replacement of office blocks A to J project, where contingency funding of approximately 10 per cent was applied to construction costs and professional services costs. The difference was due to the scope and complexity of the renovation portions of the two projects: the Gigiri master plan entailed major renovation of the existing facility, where only the primary superstructure would be retained and some strengthening of the structure was expected, whereas the renovation portions of the replacement of office blocks A to J project related only to typical office fit-out work.

34. An amount of \$1,915,300 is requested as a contingency provision for 2025 (see table 2 above). Upon enquiry, the Advisory Committee was informed that, as the project enters the construction phase, contingency was budgeted to cover the impact of any foreseen or unforeseen risks. The project team did not have any specific concerns regarding foreseeable risks in 2025 and considered it more likely than not that the contingency funding would not be utilized. However, according to the Secretariat, if risks did materialize in 2025, the project team would be unable to cover related costs without that funding. Any unused contingency in 2025 would be carried over into future years until the end of the project. At that point, any unused funding would be returned to Member States. **The Advisory Committee considers that the use of the contingency provision should be tightly monitored and limited to the absolute minimum, particularly during the early stages of a project. The Committee trusts that the Secretary-General will provide in all future progress reports detailed information on the approved, utilized and remaining balances of the contingency provision, as part of the overall project budget, at each stage of the project, as well as any available indication of projected use of contingency amounts in the following year.** The Committee also discusses matters related to contingency in its report on the eleventh annual progress report on the strategic heritage plan of the United Nations Office at Geneva (see [A/79/7/Add.12](#), paras. 20–22).

### *Escalation*

35. The value of the escalation costs was determined by applying a rate of 5.5 per cent per annum to project construction costs, compounded annually from July 2022 until the projected start date of each phase of the construction contract, to mitigate construction-specific inflation effects ([A/79/345](#), para. 50). Upon enquiry, the

Advisory Committee was informed that the escalation rate was established by referencing recent and historic trends in the construction market in the region, in line with industry norms and according to established practices at the other ongoing United Nations capital projects. The escalation provision did not cover exchange rate fluctuations. However, given the wide range of fluctuation experienced during the reporting period (the Kenya shilling depreciated by 30 per cent against the United States dollar between 1 July 2022 and 1 December 2023 and started to appreciate again from 1 January 2024 to the present), the project team would continue to closely monitor developments in this regard (*ibid.*, para. 51). **The Advisory Committee trusts that the Secretary-General will continue to closely monitor escalation costs and provide updated information in his future progress reports.**

## V. Conclusion

36. The recommendations of the Secretary-General on proposed actions to be taken by the General Assembly are contained in paragraph 107 of his report ([A/79/345](#)). **Subject to its recommendations and observations above, the Advisory Committee recommends that the General Assembly:**

- (a) **Take note of the report of the Secretary-General;**
- (b) **Approve the establishment of three additional temporary positions for project management under section 29D, United Nations Office at Nairobi, and three additional temporary positions under Section 34, Safety and security, of the proposed programme budget for 2025;**
- (c) **Appropriate an additional amount of \$23,132,000 for the project in 2025, comprising: (i) \$19,459,200 under section 33, Construction, alteration, improvement and major maintenance; (ii) \$3,610,100 under section 29D, United Nations Office at Nairobi; and (iii) \$62,700 under section 34, Safety and security, which would represent a charge against the contingency fund.**

## Annex

### Evolution of Headquarters functions and capacities dedicated to supporting major construction

#### A. From the 1990s to the early 2000s

1. In 1988, the Overseas Property Management and Construction Unit was established within the then Office of General Services. The Unit was assigned responsibility for overseeing the planning, management and operation of physical facilities of the Organization. In the 1990s, the Unit provided guidance and technical support for the construction of conference facilities at the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP), as well as office facilities in Nairobi. With the completion of those projects in 1996, the Unit ceased to exist, and its functions were merged into the Facilities Management Division with a focus on providing overall advice and guidance only.

2. From that time, a decentralized approach was followed, through which the then Office of Central Support Services provided a coordinating role for monitoring, information exchange and policy dissemination with respect to locations outside Headquarters, in collaboration with the professionals designated as focal points from each duty station (but not functionally or budgetarily attached to the Office).

3. In 2000, a global information exchange network called the “Overseas Properties Management Information Exchange Network” was launched, which evolved to the present-day Inter-Agency Network of Facilities Managers. The Network facilitated coordination of common concerns related to facilities management, and the sharing of best practices, common approaches and policy directives. The Network was managed by one Facilities Management Officer (P-4) in the Office of Central Support Services funded from the regular budget, who was the single focal point for all overseas projects at that time.

<i>Time period</i>	<i>Name</i>	<i>Composition</i>	<i>Funding source</i>	<i>Responsibilities</i>
1990s– early 2000s	No dedicated team	1 P-4	Regular budget	<p>In the early 2000s, a number of construction projects at the United Nations were started, including the construction of additional conference facilities at the Vienna International Centre in Vienna, the additional office facilities in Addis Ababa, and the improvement and modernization of the conference facilities in Nairobi.</p> <p>These projects were supported by the Facilities Management Officer (P-4), who was the focal point of the Overseas Properties Management Information Exchange Network. Such support was very limited due to the lack of a dedicated team at Headquarters.</p>

#### B. Creation of a dedicated Overseas Property Management Unit in 2010

4. In 2008, by its resolution [63/263](#), the General Assembly requested the Secretary-General to submit information to outline clearly the interaction between the Secretariat in New York and other duty stations for construction and long-term renovation projects, specifying the division of responsibility and accountability.



5. The Secretariat responded by:

(a) Clarifying the roles of Headquarters, as contained in paragraphs 7–9 of document [A/64/6 \(Sect. 28D\)/Add.1](#), as follows:

(i) The Assistant Secretary-General for Central Support Services was responsible for the overall coordination of overseas properties and any related major construction projects;

(ii) The Director of the Facilities and Commercial Services Division of the Office of Central Support Services maintained the leadership role for the Inter-Agency Network of Facilities Managers, acted as overall director of its annual conference and supported the Assistant Secretary-General for Central Support Services in the establishment and implementation of a strategic capital review of the Secretariat at all offices away from Headquarters, including budgetary coordination and the endorsement of major construction initiatives;

(iii) The Chief of the Facilities Management Service, Office of Central Support Services, was directly responsible for managing, guiding and advising on the proposed additional functions relating to overseas properties management, including the strategic capital review, the facilities management and construction project guidelines initiative and new construction project implementation. Additionally, the Inter-Agency Network of Facility Managers website and annual conference coordination continued to fall under the jurisdiction of the Chief of the Facilities Management Service.

(b) Creating a dedicated team, namely the Overseas Property Management Unit, comprising the above-mentioned Facilities Management Officer (P-4), supporting the Network, and two additional posts to be established (1 P-5 and 1 P-2) ([A/64/6 \(Sect. 28D\)/Add.1](#), paras. 21–24). This proposal was approved by the General Assembly with effect from 2010.

<i>Time period</i>	<i>Name</i>	<i>Composition</i>	<i>Funding source</i>	<i>Responsibilities</i>
2010–2017	Overseas Property Management Unit	3 posts (1 P-5, 1 P-4 and 1 P-2), working under the leadership and guidance of 1 ASG, 1 D-2 and 1 D-1 in the Office of Central Support Services	Regular budget	<p>(a) Develop the administrative and technical procedures and facilities management and construction project guidelines for the implementation future construction and major maintenance projects;</p> <p>(b) Review, provide advice and endorse from a technical point of view projects relating to capital improvement or major maintenance;</p> <p>(c) Provide guidance and advice at the request of the local project management teams through the planning and construction phase of major facilities-related projects at offices away from Headquarters.</p>

*Abbreviation:* ASG, Assistant Secretary-General.

6. After the creation of the Overseas Property Management Unit at Headquarters, the Secretariat started the development of a strategic capital review (with additional support provided by one consultancy) to formulate a 20-year capital programme and prioritization strategy for the global premises of the United Nations Secretariat. A series of reports were submitted, in 2010 ([A/65/351](#)), 2014 ([A/68/733](#)), 2015 ([A/69/760](#)), 2016 ([A/70/697](#)) and 2017 ([A/72/393](#)), which was the final report on the review.

7. The strategic capital review, conducted from 2010 to 2017, generated an updated capital maintenance programme (a pipeline of capital projects) that included the

replacement of office blocks A to J at the United Nations Office at Nairobi and the renovation of the north building at the Economic Commission for Latin America and the Caribbean (ECLAC), both of which have since become stand-alone projects after initially having been included in the strategic capital review.

8. At the beginning of this period (circa 2010), the Overseas Property Management Unit supported two major projects (the construction of new office facilities at ECA and the construction of new office facilities at the United Nations Office at Nairobi), as well as some smaller-scale efforts, such as the earthquake rehabilitation projects at ECLAC and the initial conceptual study of the strategic heritage plan of the United Nations Office at Geneva.

9. Towards the end of this period (circa 2017), the Overseas Property Management Unit was providing support to more major construction projects, including the construction of a new facility for the branch in Arusha, United Republic of Tanzania, of the International Residual Mechanism for Criminal Tribunals, the Africa Hall project at ECA, the seismic mitigation and life-cycle replacements project at ESCAP, the renovation of the North Building at ECLAC and the replacement of office blocks A to J at the United Nations Office in Nairobi. This workload far exceeded the capacity of the Unit (1 P-5, 1 P-4 and 1 P-2), and hence a proposal was made in 2018 to strengthen the capacity of this dedicated Headquarters team.

### C. Creation of the Global Property Management Service in 2018

10. In 2018, the Secretariat submitted a proposal to reclassify the Chief of the Overseas Property Management Unit from the P-5 level to the D-1 level, and established the Global Property Management Service (A/72/6 (Sect. 29D), para. 29D.27). This Service, headed by a post at the D-1 level, was approved by the General Assembly effective 1 January 2018. Following that, two backstopping positions were also created: one Project Coordinator (P-4) funded from the projects in ECA and ESCAP; and one Project Coordinator (P-3) funded from the projects in ECLAC and the United Nations Office at Nairobi.

<i>Time period</i>	<i>Name</i>	<i>Composition</i>	<i>Funding source</i>	<i>Responsibilities</i>
2018	Global Property Management Service	7 posts/positions (1 D-1, 3 P-4, 2 P-3 and 1 P-2), working under the leadership and guidance of 1 ASG and 1 D-2 in the Office of Central Support Services	Regular budget	(a) Oversee and provide technical guidance for the implementation of major capital projects; (b) Oversee and provide technical guidance for the implementation of ongoing capital maintenance and alterations and improvements projects; (c) Conduct regular coordination meetings on capital projects with overseas construction project managers; (d) Review technical and administrative submissions related to the development and implementation of construction projects; (e) Organize formal meetings of the Inter-Agency Network of Facilities Managers and offices away from Headquarters on facilities management policy matters; (f) Perform estates management, which encompasses policy, process and operational guidance to Secretariat entities on real estate portfolio management;

<i>Time period</i>	<i>Name</i>	<i>Composition</i>	<i>Funding source</i>	<i>Responsibilities</i>
				(g) Working with an external consultancy firm, provide independent risk management to four projects (at ECA, ESCAP, ECLAC and the United Nations Office at Nairobi).

*Abbreviation:* ASG, Assistant Secretary-General.

11. It should be noted that the responsibility of the Global Property Management Service did not cover the capital master plan or the flexible workplace project in New York, which were carried out by the Facilities Management Service in the Office of Central Support Services. Nevertheless, the Global Property Management Service ensured that lessons learned from those projects were collected, documented and shared with all future capital projects as importance references.

#### **D. After the management reform**

12. In 2019, as part of the management reform, the Global Property Management Service of the former Office of Central Support Services of the Department of Management was subsumed under the Field Operations Finance Division in the Office of Programme Planning, Finance and Budget of the Department of Management Strategy, Policy and Compliance, and became the Global Asset Management Policy Service.

<i>Time period</i>	<i>Name</i>	<i>Composition</i>	<i>Funding source</i>	<i>Responsibilities</i>
2019–2023	Global Asset Management Policy Service	7 posts/positions (1 D-1, 3 P-4, 2 P-3 and 1 P-2), working under the leadership and guidance of 1 ASG and 1 D-2 in the Office of Programme Planning, Finance and Budget of the Department of Management Strategy, Policy and Compliance	Regular budget	(a) Oversee and provide technical guidance for the implementation of major capital projects; (b) Oversee and provide technical guidance for the implementation of ongoing capital maintenance and alterations and improvements projects; (c) Conduct regular coordination meetings on capital projects with overseas construction project managers; (d) Review technical and administrative submissions related to the development and implementation of construction projects; (e) Organize formal meetings of the Inter-Agency Network of Facilities Managers and offices away from Headquarters on facilities management policy matters; (f) Perform estates management, which encompasses policy, process and operational guidance to Secretariat entities on real estate portfolio management; (g) Working with an external consultancy firm, provide independent risk management to four projects (at ECA, ESCAP, ECLAC and the United Nations Office at Nairobi).

*Abbreviation:* ASG, Assistant Secretary-General.

13. The responsibilities originally carried out by the Global Property Management Service in the former Office of Central Support Services were transferred to the Global Asset Management Policy Service in the Office of Programme Planning, Finance and Budget.

14. Some capital functions remain with the Department of Operational Support, including the facilities-related and New York-based programming of alteration, improvement and major maintenance under section 33 of the programme budget, and the management of the real estate portfolio in New York, as well as the capital projects in New York, including the residual reporting on the capital master plan and the flexible workplace project, both of which continue to be under the responsibility of the Division of Administration of the Department of Operational Support.

## E. Current capacity of the team

15. By the middle of 2024, both of the two previously existing Project Coordinator positions (1 P-4 and 1 P-3) had expired, while the P-2 post was abolished by the General Assembly in December 2023. With this precipitous reduction in capacity, the core team dedicated to supporting construction projects has shrunk to only 1 D-1, 2 P-4 and 1 P-3 (all regular budget posts).

<i>Time period</i>	<i>Name</i>	<i>Composition</i>	<i>Funding source</i>	<i>Responsibilities</i>
2024	Global Asset Management Policy Service	4 posts (1 D-1, 2 P-4 and 1 P-3), working under the leadership and guidance of 1 ASG and 1 D-2 in the Office of Programme Planning, Finance and Budget of the Department of Management Strategy, Policy and Compliance	Regular budget	<p>(a) Oversee and provide technical guidance for the implementation of major capital projects;</p> <p>(b) Oversee and provide technical guidance for the implementation of ongoing capital maintenance and alterations and improvements projects;</p> <p>(c) Conduct regular coordination meetings on capital projects with overseas construction project managers;</p> <p>(d) Review technical and administrative submissions related to the development and implementation of construction projects;</p> <p>(e) Organize formal meetings of the Inter-Agency Network of Facilities Managers and offices away from Headquarters on facilities management policy matters;</p> <p>(f) Perform estates management, which encompasses policy, process and operational guidance to Secretariat entities on real estate portfolio management;</p> <p>(g) Working with an external consultancy firm, provide independent risk management to four projects (at ECA, ESCAP, ECLAC and the United Nations Office at Nairobi);</p> <p>(h) Effective from April 2024, assumed the additional responsibility of supporting all six major projects from the finance and budget perspective (a function previously carried out by the Programme Planning and Budget Division), with no additional resources. This change in responsibility has shortened the process of supporting the six project teams as well as the finalization of the annual progress reports, while improving the related support to</p>

<i>Time period</i>	<i>Name</i>	<i>Composition</i>	<i>Funding source</i>	<i>Responsibilities</i>
				<p>legislative bodies, and was done while no resources were added to the team, and when three previously available posts and positions were recently discontinued;</p> <p>(i) Effective from the fourth quarter of 2024, assumed the additional responsibility of preparing the launch of and chairing a working group on rental practices, to formulate recommendations for further harmonizing rental practices to meet the needs of the Organization, taking into account observations and recommendations of advisory, legislative and oversight bodies.</p>

*Abbreviation:* ASG, Assistant Secretary-General.