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Proposed programme budget for 2024

Tenth annual progress report on the strategic heritage plan of the United Nations Office at Geneva

Nineteenth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2024

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the tenth annual progress report of the Secretary-General on the strategic heritage plan of the United Nations Office at Geneva ([A/78/503](#)). During its consideration of the report, the Committee received additional information and clarification, concluding with written responses dated 31 October 2023.

2. The report of the Secretary-General contains a summary of the planning and construction-related actions accomplished between 1 September 2022 and 31 August 2023, while the financial information contained therein is based on the available data as at 31 July 2023 (*ibid.*, para. 2).

Background

3. The Advisory Committee recalls that the strategic heritage plan project includes the following elements: (a) the renovation of the Palais des Nations, which comprises a historic building complex completed in 1937 and expanded in the 1950s (buildings A, B, C, D and S); (b) the refurbishment of the conference space and the dismantling of the upper seven floors of the office tower of the E building, which was added to the complex in 1973; and (c) the construction of a new permanent office building (now referred to as the H building), to be initially used as swing space during the project ([A/68/372](#), paras. 9 and 34–36). In its resolution [77/263](#) A, the General Assembly reiterated its request to preserve the historical heritage of the Palais des Nations.

4. The Advisory Committee further recalls that, having considered the second annual progress report of the Secretary-General on the strategic heritage plan ([A/70/394](#) and [A/70/394/Corr.1](#)) and the related report of the Committee ([A/70/7/Add.8](#)), in its resolution [70/248](#) A, the General Assembly approved the proposed project scope, schedule and estimated cost of the strategic heritage plan in



the maximum amount of SwF 836,500,000 for the period from 2014 to 2023, and therefore authorized the renovation and construction phases of the project to begin.

II. Project progress of the strategic heritage plan

Project progress and schedule

5. The Secretary-General indicates that, since the ninth annual progress report, the project has continued to incur further delays and schedule disruptions. In the most recent revision of the schedule reported during the seventy-seventh session of the General Assembly, the overall strategic heritage plan work was projected to be completed at the end of 2025; the works are now likely to extend into 2026 ([A/78/503](#), para. 28).

6. Information on the progress achieved during the reporting period, along with estimated timelines, is contained in paragraphs 27 and 67 of the report of the Secretary-General. A summary, by building, is presented below:

(a) New H Building: substantially completed in October 2021, the building has been occupied. The close-out and handover activities continued throughout the reporting period. The contract for the building is in the two-year defect liability period until 4 October 2023 and the final completion inspection was scheduled for October 2023;

(b) Historic buildings A, B, C, D and S: the renovations are divided into sections and subphases ([A/78/503](#), figure X), as follows:

(i) Section AC and building D: substantial completion of the first section (AC) was achieved in May 2023, with meetings taking place in the renovated conference rooms there. Substantial completion of building D was achieved in August 2023;

(ii) Sections A, AB and S1: although delayed, the works continue to progress towards the final stages and are now expected to be complete during the first half of 2024;

(iii) Sections C, B and S2: the renovations are intended to begin in 2024 and last until the latter half of 2025, following the completion of section S1 to ensure that temporary space is available;

(c) E Building: the contract was signed in January 2023, followed by the start of the pre-construction services phase, including technical design during the remainder of 2023 and the first half of 2024, while the subphase of the renovation and dismantling works has been delayed from the previous forecast (February 2023 to January 2025) to the current forecast (July 2024 to June 2026).

7. Figure XI of the report of the Secretary-General illustrates the project schedule in five major phases, while table 6 of the report provides an updated schedule, showing the extensions as compared with the schedule of the ninth annual progress report submitted to the seventy-seventh session of the General Assembly ([A/77/492](#)). Information on the extended project schedules, by phase, is provided below:

(a) Pre-planning phase (March 2009–February 2012): no changes;

(b) Planning phase (May 2012–August 2015): no changes;

(c) Phase 1, new H building construction (October 2015–September 2021): no changes;

(d) Phase 2.1, renovation of the historic buildings (A, B, C, D and S): the previous schedule (from October 2015 to March 2024) is extended by 17 months to August 2025,¹ owing to supply chain disruptions, upgrades to interpretation booths and improvements to the audiovisual system. Renovation works will continue during 2023, 2024 and into 2025 for the historic buildings. According to the report, there continues to be considerable uncertainty in the forecast for the completion of the remaining works, due to difficulties encountered during the final phases of the sections under renovation. These include the lack of sufficient resources in key trades, the time frame for agreeing on instructions and variations, additional works (caused by discoveries and changes) before the contractor is contractually obliged to carry them out and the economic conditions that have followed the coronavirus disease (COVID-19) pandemic and the geopolitical situation in Europe;

(e) Phase 2.2, renovation of building E conference space, with the dismantling of the office tower: the previous schedule (from December 2020 to January 2025) is extended by 16 months to June 2026.² The closure of building E for renovation is contingent on the completion and return to full service of the renovated conference rooms in the historic buildings.

8. It is indicated in the report of the Secretary-General that the difficulties experienced by the strategic heritage plan have had an impact on the overall project schedule by at least an additional six months. Following the delays to the renovation schedule for the historic buildings and the lessening confidence as to the appropriateness of the contractor's scheduling, the United Nations Office at Geneva has taken proactive measures to stabilize the progress and planning of the contractor's works to mitigate further delays and align all parties to the project to a programme in which all parties can have confidence. This has involved the project team working closely and collaboratively with the contractor, its supply chain and the lead design firm on the detailed scheduling and resourcing, through the implementation of a "lean" project management methodology to improve scheduling, processes and resource allocation at the worksite level. In his report, the Secretary-General indicates that a comprehensive revision to the overall project schedule will be finalized and released in the coming months (A/78/503, paras. 28 and 70). Upon enquiry, the Advisory Committee was informed that additional costs resulting from a six-month delay would amount to SwF 8.8 million, including costs for staff and expertise contracted externally.

9. The Advisory Committee acknowledges the challenges associated with the renovation of the historic buildings and trusts that efforts will continue to be made by the United Nations Office at Geneva to preserve the historical heritage of the Palais des Nations as requested by the General Assembly (see para. 3 above). The Committee notes with concern the delays in the overall project schedule and related cost overruns, as well as the challenges identified as they pertain to the appropriateness of the contractor's scheduling for the renovation of the historic buildings. The Committee notes the projected extensions by 17 additional months to the schedule of some of the renovation subphases, while an overall delay of the project is estimated at an additional 6 months at least. The Committee trusts that further information on the comprehensive revision of the overall construction schedule will be finalized and presented to the Assembly at the time of the consideration of the present report.

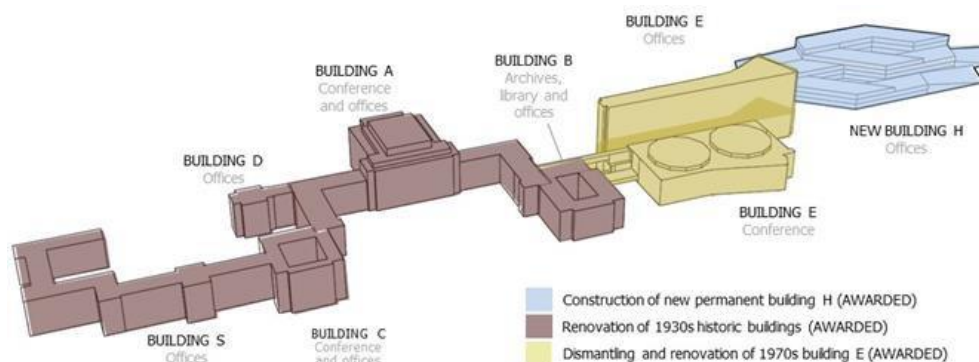
¹ Renovation of buildings A, C, D and S is to be extended by 13 months and of building B by 17 months.

² The extensions relate to subphases under procurement (by 4 months), pre-construction (by 6 months) and renovation and dismantling (by 16 months), followed by closeout activities (by 16 months) and warranty closeout (by 16 months).

Project contracts

10. Figure IX of the report of the Secretary-General shows a schematic overview of the contracting strategy (reproduced below) with respect to the buildings covered under the project.

Schematic overview of the Palais des Nations building complex contracting strategy



11. In his report, the Secretary-General indicates that, with the recent signing of the building E contract within budget, all the major contracts for the project are in place (*ibid.*, paras. 29 and 32–35). Upon enquiry, the Advisory Committee was provided with information on the signed contracts of the project (see table 1). It was confirmed to the Committee that all major construction contracts are in place (the new H building, the renovation of the historical Palais des Nations and building E). However, the Committee was also informed that there were approximately 50 subcontract packages to be awarded by the main construction contractor for building E during the current pre-construction services phase that would lead to a guaranteed maximum price in mid-2024.³ It is expected that, owing to the market conditions and considerable increases in inflation, including building and civil engineering prices (the Swiss construction output price index at the time of writing was 113.9 points, compared with 100 points in October 2020), the guaranteed maximum price for the subcontract packages to be agreed during 2024 would likely be higher than the initial contract price, but within the allocated escalation allowances. It was indicated to the Committee that, as the contract price of SwF 164.2 million for building E was based on the tender returns in February 2022, an increase in costs of at least 4.7 per cent could be expected during the pre-construction services phase for this factor alone; however, there is a risk that cost increases may be greater, owing to cost variances from the types of materials, labour and plant operations specifically required for the E building contract, which could differ significantly from a general average reflected by the construction output price index.

³ As reflected in pages 21 and 22 of the paper by the United Nations Board of Auditors entitled “Lessons from the United Nations Capital Master Plan”, the package management approach (option B) was chosen, by which the Organization appointed a lead contractor (under a direct contract) to procure and manage smaller contract packages with subcontractors who could deliver defined packages of work under guaranteed maximum price contracts. The lead contractor received a management fee for its services, in addition to direct cost reimbursement. See www.un.org/en/auditors/board/pdfs/Lessons%20from%20the%20Capital%20Master%20Plan.pdf.

Table 1
Major contracts of the strategic heritage plan

(Thousands of Swiss francs)

<i>Contract</i>	<i>Country</i>	<i>Contract description</i>	<i>Estimated pre-tender amount</i>	<i>Contract amount</i>
Implenia Switzerland	Switzerland	Construction of new permanent building (building H)	116 831	100 916
Neptunus International B.V.	Netherlands (Kingdom of the)	Provision of temporary infrastructures for conferences	7 790	9 633
Renovation Palais des Nations J.V.	Switzerland	Construction services for renovation of historic buildings	274 790	269 134
Renovation Palais des Nations J.V.	Switzerland	Construction services for renovation and partial dismantling of building E	201 104	164 156

12. The Secretary-General further indicates that the possibility remains that the project may not be able to achieve the full approved baseline scope within the approved budget owing to the extended renovation schedule and related additional costs, change requests and the as-yet-unknown guaranteed maximum price cost that will be established during the pre-construction services for building E (ibid., para. 29).

13. Noting that the building E contract has been awarded to the same company that is working on the renovation of the historic buildings, the Advisory Committee trusts that every effort will be made to ensure that issues related to the reliability of the current renovation schedule for the historic buildings will not be repeated during the renovation of building E.

Project risks and management

14. A comparison of the top five project risks in the eighth, ninth and tenth progress reports is provided in table 2 of the report of the Secretary-General. The current top five project risks include the following: (a) slower-than-expected completion of the renovated historical building sections delays the closure and start of building E works; (b) delays in agreeing and implementing variations; (c) unforeseen additional work and undocumented repairs beyond what is foreseen in the building E contract; (d) design errors, omissions and further works discovered during renovation works in the historic buildings; and (e) escalation and/or inflation costs exceed those included for the building E stage 1 contract (ibid., para. 25).

15. Upon enquiry, the Advisory Committee was informed that mitigation measures included the development of the technical design by the building E contractor using the experience, knowledge and market position of the contractor to identify and enact further optimization and value engineering opportunities, which has proved successful for the historic buildings renovation contract. A further mitigation measure related to the building E contract was the transfer of design responsibility to the contractor once the pre-construction services period was completed and the guaranteed maximum price contract was established (unlike the renovation contract for the historic buildings, for which design liability remained with the project owner). According to the Secretariat, this approach should bring an increased level of cost (and schedule) certainty to the building E renovation, as it is expected that there will be fewer requests for information and fewer potential costly and time-consuming changes to aspects of the design. In addition, the guaranteed maximum price contracts for both the historic buildings and the E building included a shared savings mechanism, in which the contractor was incentivized to deliver the project below the contract price in order to benefit from a share of the amount saved. With regard to

value engineering that promoted the substitution of materials and methods with less expensive alternatives, without sacrificing functionality and quality, it was indicated to the Committee that, utilizing the lessons learned during the renovations of the historic building sections, variations had already been processed and put in place for the remaining sections that had yet to be renovated, namely the cafeteria, building B and S2, to ensure that such variations would not slow the progress of these sections when they got under way.

16. While noting the efforts of the project team to mitigate additional risks, the Advisory Committee trusts that every effort will be made to ensure adequate monitoring and mitigation of risks identified in the project, including by diligently applying lessons learned from previous stages of the project and promoting strict adherence to the project schedule.

III. Project costs, contingency and scope

17. In its latest resolution concerning the strategic heritage plan, resolution [77/263 A](#), the General Assembly reaffirmed the proposed project scope, schedule and estimated cost of the strategic heritage plan in the maximum amount of SwF 836,500,000. In the same resolution, the Assembly requested the Secretary-General to ensure that any change that affected the scope of the strategic heritage plan project was presented for its consideration and decision.

Project expenditure

18. It is indicated in the report of the Secretary-General that cumulative expenditure against assessments on Member States amounted to SwF 281.4 million as at 31 July 2023. The projected cumulative expenditure against that funding source until the end of 2023 is currently forecast at SwF 286.5 million, which would yield an expected year-end balance of approximately SwF 20.9 million from the appropriation and assessments from Member States. It is indicated that the actual year-end balance may vary depending on the progress of the works and the use of the contingency after the submission of the tenth annual progress report ([A/78/503](#), para. 75, and annex I, table A.I.1). Upon enquiry, the Advisory Committee was informed that an amount of SwF 2 million had been expended under contingency funds since the submission of the tenth annual progress report. The Committee also received, upon request, information on the actual monthly expenditure from January 2014 to September 2023 (see annex I). **The Advisory Committee trusts that updated information on the project expenditure will be provided to the General Assembly during its consideration of the present report.**

Project costs

19. Table 7 of the report of the Secretary-General contains the latest revised cost plan for the project for the period from 2014 to 2027. Compared with the projected cost plan for 2014 to 2025 as presented in the ninth annual progress report ([A/77/492](#)), the current updated cost plan, which is still based on the approved maximum budget of SwF 836.5 million, shows an increase of SwF 46.6 million (from the previous SwF 761.4 million to the current SwF 808.0 million) in core project costs, excluding contingencies, due primarily to the extension of the schedule and to increased variations to the works during the reporting period.

20. The Advisory Committee notes that the supplementary information (reproduced as table 2) provides a comparison of variations to the approved project baseline presented in the second annual progress report of the Secretary-General (see para. 4 above).

Table 2
Comparison to previous reports

(Thousands of Swiss francs)

	Overall strategic heritage plan costs by element												
	A/68/372 ^a	A/70/394	A/71/403	A/72/521	A/73/395	A/74/452	A/75/355	A/76/350	A/77/492	Current report A/78/503	Variation to A/77/492	Variation to A/70/394 in 2015	
Construction/ refurbishment	447 000	482 398	492 441	530 544	510 507	546 633	589 506	588 367	548 491	577 494	29 003	95 096	
Associated costs	49 000	52 998	52 559	45 572	50 093	47 956	26 635	22 551	21 420	20 289	(1 131)	(32 709)	
Consultancy services	106 000	118 225	118 225	121 106	137 187	143 861	153 836	141 757	148 157	158 599	10 442	40 374	
United Nations Office at Geneva project management	47 000	38 882	38 882	38 882	38 882	40 384	41 437	40 507	42 744	50 977	8 233	12 095	
Contingency	188 000	91 917	94 207	70 845	74 540	36 917	15 241	35 946	74 956	28 470	(46 486)	(63 447)	
Escalation		52 080	40 187	29 552	25 292	20 749	9 845	7 373	734	672	(62)	(51 408)	
Total	837 000	836 500	836 500	836 500	836 500	836 500	836 500	836 500	836 500	836 500	–	–	

^a In A/68/372, contingencies, escalations, allowances, insurance and quality control had been consolidated in one line.

21. As reflected in table 2, compared with the approved project baseline in the second annual progress report of the Secretary-General (A/70/394 and A/70/394/Corr.1) and approved by the General Assembly, the main changes by project element are as follows: (a) the construction and refurbishment cost forecast has increased by SwF 95.1 million; (b) the estimated amount for associated costs has decreased by SwF 32.8 million; (c) the forecasts for consultancy services and United Nations Office at Geneva project management costs show an increase of SwF 40.3 million and SwF 12.1 million, respectively; (d) the available project contingency provision represents the balance remaining in the approved budget envelope after updating all the other budget lines with the latest forecasted data (see para. 29 below); and (e) the allowance for escalation has been reduced by SwF 51.4 million as a result of the project's progression in time of one year.

22. Regarding the cost increase in the core project costs (see para. 19 above), the supplementary information indicates that, in comparison with the ninth annual progress report of the Secretary-General (A/77/492), changes in forecasted costs under construction and refurbishment for each of the buildings are as follows: building H, a decrease of SwF 1.2 million; building A, an increase of SwF 17.2 million; building B, an increase of SwF 2.3 million; building C, an increase of SwF 3.1 million; building D, an increase of SwF 1.0 million; building S, an increase of SwF 7.3 million; and building E, an increase of SwF 4.1 million.

23. It is also stated in the report of the Secretary-General that the contractor for the renovation of the historic buildings has indicated that, owing to the combined effects of the pandemic, the geopolitical situation on the supply chain and the continued schedule extensions, there are significant additional cost pressures which the contractor is seeking to recover. According to the Secretariat, while the additional costs are largely the responsibility of the contractor, as the risks were included within the guaranteed maximum price, the cost increases are also related to the time and additional works related to variations and design issues. At the time the report was written, however, owing to the fluidity of the issues and the necessity for the

contractor to demonstrate its entitlement, the full effects had yet to be fully determined (A/78/503, para. 27 (e)).

24. The Secretary-General forecasts a budget overrun of 3 per cent, which currently amounts to a projected SwF 39.5 million shortfall. This is a forecast of the final expected cost at the “P80” confidence level based on the best information available at the time of the Monte Carlo analysis. The Advisory Committee was informed, upon enquiry, that the projected SwF 39.5 million shortfall was based on all the information available up to the beginning of August 2023, which accounted for all the variations and programme slippage known at the time of the tenth annual progress report of the Secretary-General. The current forecast of the final cost of the project was not expected to substantially change until the actual final cost for the work on building E was known, which would most likely be some time in mid-2024, when the guaranteed maximum price for building E was expected to be finally agreed at the end of the pre-construction services period (see para. 11 above).

25. The Advisory Committee trusts that updated information on the negotiation of the guaranteed maximum price contract for building E (see para. 11 above) and clarification on possible costs arising from the revised schedule forecast (see para. 9 above), as well as more comprehensive information on costs related to the variations in the renovation works of the historic buildings, will be presented to the General Assembly at the time of the consideration of the present report and in the next progress report on the strategic heritage plan.

Project contingency and management

Contingency provision and reporting

26. The Advisory Committee recalls that a contingency provision of SwF 91.9 million was included in the estimated project cost of SwF 836.5 million in the second annual progress report of the Secretary-General (A/70/394, table 2) and approved by the General Assembly in resolution 70/248 A (see also para. 4 above). The contingency provision, which was established during the project concept design phase and based on industry norms for similar projects, was calculated as a percentage of estimated direct costs for each project component as follows: 10 per cent for new construction; 18 per cent for renovation and dismantling works; 5 per cent for associated costs; and 5 per cent for consultancy fees and related costs. The Secretary-General indicated at that time that, in line with the Board of Auditors paper on lessons from the United Nations capital master plan,⁴ the project contingency sum of SwF 91.9 million was allocated through a robust risk analysis process (A/70/7/Add.8, para. 42).

27. Information on the contingency provision and management is provided in paragraphs 81 to 97 of the report of the Secretary-General (A/78/503). It is indicated therein that, of the contingency included in the estimated project cost in the second annual progress report, an amount of SwF 59.3 million was used and committed for the project from 2016 to 31 July 2023⁵ and that a balance of SwF 28.5 million remains available for the project (ibid., table 10, and paras. 83 and 96). The Advisory Committee requested information on how to reconcile the combined amount of SwF 87.8 million (SwF 59.3 million used and committed and SwF 28.5 million available) with the contingency provision of SwF 91.9 million approved for the project, but was informed that the available project contingency of SwF 28.5 million represented the amount of the approved budget envelope that remained after updating

⁴ See www.un.org/en/auditors/board/pdfs/Lessons%20from%20the%20Capital%20Master%20Plan.pdf.

⁵ Reflecting SwF 47.6 million for the period from 2016 to 2022 reported in the ninth annual progress report, and SwF 11.7 million reported in the tenth annual progress report covering the period from 31 July 2022 to 31 July 2023.

all other budget lines. It was indicated to the Committee that the allocated contingency amounts for each year of the project shown in table 2 above are balancing figures (the difference between the SwF 836.5 million project envelope and the latest forecast of project costs, including escalation) and that those balancing figures are not related to the projections provided by the risk management firm, which are generated using Monte Carlo simulations (see paras. 30–33 below).

28. The Advisory Committee recalls that, in its resolution [70/248 A](#), the General Assembly emphasized that contingency provisions approved for construction projects served to provide necessary safeguards against unforeseen cost overruns during project implementation, underlined that the estimation of project contingencies should be based on the identification of risks associated with the different phases of the project and requested that the estimated contingencies be separated from the base project cost for presentation purposes only. In the same resolution, the Assembly recalled paragraph 51 of the report of the Advisory Committee ([A/70/7/Add.8](#))⁶ and decided that unused contingency funds may be carried over to subsequent years and reallocated as new risks emerged and older risks were retired, consistent with industry best practice, and that all remaining unused contingency funds should be returned to Member States at the conclusion of the project.

29. The Advisory Committee notes that contingency amounts presented in the progress reports represent balancing figures between estimated core costs and overall budget amounts approved and are not calculated by the application of the Monte Carlo risk projections provided by the risk management firm (see para. 30 below). The Committee is of the view that further clarity in the reporting of contingency provisions, with clear disclosure of the amounts approved and utilized and available balances as part of overall costs and contingency tables (such as in tables 7 and 10 of the report of the Secretary-General ([A/78/503](#))) would enhance understanding of actual consumed contingency amounts and remaining balances at a given stage of the project.

Monte Carlo simulation method

30. It is indicated in the report that the independent risk management firm prepares Monte Carlo simulations for the project on a quarterly basis ([A/78/503](#), paras. 21–23). Upon enquiry, the Advisory Committee was informed that a Monte Carlo model involved the simulation of multiple iterations of a combination of possible outcomes, in this case, identified risks. It did not generate a specific assessment of the cost of each and every risk, but rather generated a range of total cost estimates for the combination of risk inputs as a whole. The Monte Carlo model considered the forecasted increase of SwF 46.6 million to the overall cost of the project on the basis of the current risks identified (see para. 14 above).

31. The Secretary-General indicates that the amount of SwF 28.5 million remaining available as a contingency to deliver the project within budget currently has a confidence level of less than 1 per cent, while a confidence level of 80 per cent is the organizational target for global construction projects, which would require a contingency amount of SwF 67.9 million (P80 value) exceeding the approved project costs by SwF 39.5 million ([A/78/503](#), para. 83). Upon enquiry, the Advisory Committee was informed that the independent risk management firm for the project

⁶ “The Advisory Committee recalls that in its reports on the capital master plan and its paper on lessons from the capital master plan, the Board of Auditors has indicated that good practice dictates that contingency funds should be available to manage risks, not general cost increases, with no expectation that all contingency amounts will be used (see [A/70/5 \(Vol. V\)](#), para. 18). The Committee also recalls the Board’s view that unused contingency provisions should be surrendered instead of being used to cover cost overruns ([A/68/585](#), para. 80).”

recalculated the forecasted required contingency each quarter using the Monte Carlo simulation method and specialized software, based on an extensive list of risks, together with a range of cost possibilities and probability of occurrence.

32. The Advisory Committee notes that, despite the Monte Carlo simulation not having an impact on the presentation of contingency amounts during the implementation of the projects, the P80 confidence level is used as the basis for the estimation of cost overruns. The Committee further notes the different approaches adopted by the construction projects at the Economic Commission for Latin America and the Caribbean and the Economic and Social Commission for Asia and the Pacific when calculating contingency amounts in situations of confirmed cost overruns, when the Monte Carlo simulation has been applied to provide estimates of required contingent amounts, albeit with different confidence levels applied (see [A/78/337](#) and [A/78/346](#)).

33. The Advisory Committee is of the view that the adoption of risk-based contingency management that provides for the necessary safeguards against unforeseen cost overruns during project implementation pertains to the management of related approved amounts within the overall approved budget envelope, and not to a scenario of budget overruns. The Committee trusts that further clarification will be provided to the General Assembly at the time of consideration of the present report and in the next progress report on the presentation of estimated cost overruns based, among other factors, on contingency requirements established at a confidence level of 80 per cent for the Monte Carlo simulation method.

Project scope

34. The tenth annual progress report of the Secretary-General does not include any proposals for reductions to the approved scope of the project. The Secretary-General may, if required, propose scope reductions in the future for consideration and approval by the General Assembly, to mitigate the risk of cost overruns ([A/78/503](#), para. 89). Upon enquiry, the Advisory Committee was informed that the current financial position of the project with a 3 per cent overrun was a forecast of the final expected cost at the P80 confidence level based on the best information available and that, should it not be possible to fully mitigate the forecast cost increase arising from schedule delays, inflation and other cost pressures, it would then be necessary to propose scope reductions. Scope reductions would be proposed only if that was the only way to further reduce potential cost overruns and would be presented, in line with section X, paragraph 5, of resolution [70/248 A](#), to the Assembly for review and approval with sufficient time. The Committee notes that it is expected that the guaranteed maximum price contract will be agreed in mid-2024, while the next annual progress report on the project will be submitted to the Assembly at its seventy-ninth session.

35. The Advisory Committee trusts that clarification on the timing of the expected contractual and legal decisions of the project and any possible related submission of proposals of the Secretary-General regarding the scope of the project for approval by the General Assembly will be provided to the Assembly during its consideration of the present report.

36. The Advisory Committee sees merit in providing de-scoping options with clear financial and operational implications when presenting project proposals facing significant resource challenges compared with their previously approved budgetary level. The Committee trusts that the Secretary-General will ensure that this practice is applied for all construction projects facing similar circumstances (see also [A/78/7/Add.14](#), para. 21).

IV. Project governance

37. During the reporting period, the Advisory Board held two meetings in December 2022 and May 2023, respectively, with a further meeting planned in October 2023. The Board also toured the new H building and the renovation site. The Steering Committee held three meetings, in November 2022 and in March and August 2023 (A/78/503, paras. 11 and 12). Upon enquiry, the Advisory Committee was informed that the main points discussed by the Advisory Board and the Steering Committee during the reporting period included schedule delays, mitigation measures and project updates, including the completion of sections AC and D; progress on the handover of building H; building E procurement; cost and budget updates; and main project risks, conferencing and business continuity.

38. The Advisory Committee was further informed that, owing to the continued delays to the renovation works schedule and lessening confidence as to the appropriateness of the contractor's scheduling, the United Nations Office at Geneva had taken significant proactive measures to stabilize the progress and planning of the contractor's works to mitigate further delays and align all parties to the project to a programme in which all parties could have confidence (see also para. 8 above). The historic building renovation contract, like most construction contracts, includes delay damages applicable in the instance where delays in delivering the work are solely due to the contractor's performance.

Building H handover issues

39. Concerning the challenge of the handover of some of the more complex technical elements of the building H services systems by the contractor (A/78/503, para. 4), upon enquiry, the Advisory Committee was informed that the contractor, without fully disclosing the reasons, was unwilling to promptly complete the specialized parts of the electrical system to fully conform with the requirements of the contract. It was indicated to the Committee that those issues did not present a health and safety risk or interfere with the operations. The two-year defects period for these systems does not start until such time as these elements are considered to be substantially completed (see also para. 6 (a) above). In terms of ensuring the works are completed, the United Nations Office at Geneva retains 2.5 per cent of the contract value of the works as retention money that will not be released back to the contractor until such items have been resolved to the project team's satisfaction. If the contractor outright refuses to complete such work, then the Office is contractually entitled to use the retention money to contract another firm to resolve the issues and deduct that cost from the retention money. Progress continues in good faith and towards an amicable solution to those issues, although it remains a challenge.

40. The Advisory Committee trusts that the United Nations Office at Geneva will pursue, as appropriate, and with the necessary due diligence, all available contractual measures to ensure the fulfilment of contractual obligations and to promote cost containment.

V. Financing of the project

Multi-year special account, scheme and currency of appropriation and assessment

41. The Advisory Committee recalls that, in its resolution 77/263 A, the General Assembly decided to continue to use the multi-year construction-in-progress account established within the regular budget for expenditures related to the strategic heritage plan in 2023. In the same resolution, the Assembly decided to revert to the establishment of the multi-year special account, as well as an assessment scheme and

currency of appropriation and assessment, for the strategic heritage plan at the main part of its seventy-eighth session. Related information on the options is provided in paragraphs 98 to 103 and annex II of the report of the Secretary-General.

42. **The Advisory Committee reiterates its view that the related options are policy matters to be decided upon by the General Assembly (A/77/7/Add.13, para. 33; A/76/7/Add.15, para. 31; A/75/7/Add.12, para. 27; A/74/7/Add.13, para. 23; A/73/576, para. 35; and A/72/7/Add.25, para. 27).**

Resources appropriation and construction project balances

43. According to the report and supplementary information, taking into account the projected balance of SwF 20.9 million at the end of 2023 for the strategic heritage plan (see paras. 9 and 25 above), the projected appropriation for 2024 from Member States would amount to SwF 21.7 million, if the General Assembly were to follow the same approach (option 2) as in previous years.

44. The Advisory Committee recalls that, based on the assumption that the General Assembly would continue with option 2, in his seventh progress report the Secretary-General indicated that, for 2021, estimated expenditures included an amount to be appropriated of SwF 47.6 million and a carry-over from 2020 of SwF 21.0 million, while his eighth progress report indicated an estimated balance of SwF 2.2 million at the end of 2021. In addition, in his eighth progress report he indicated that, for 2022, estimated expenditures included an amount to be appropriated of SwF 61.9 million and a carry-over from 2021 of SwF 2.2 million, while in his ninth progress report the Secretary-General included an estimated balance of SwF 4.5 million at the end of 2022. The ninth progress report contained estimated expenditures for 2023 that included an amount to be appropriated of SwF 82.3 million and a carry-over from 2022 of SwF 4.5 million, while the tenth progress report included an estimated balance of SwF 20.9 million at the end of 2023.

45. **The Advisory Committee recalls the recommendation of the Board of Auditors in its latest report on the United Nations (A/78/5 (Vol. I)) that the Administration improve the formulation of resource requirements for multi-year capital construction budgets based on actual project implementation and revised project schedules in order to limit the unspent balances of the projects at the end of each budget period (A/78/330, para. 80). The Committee notes the increase in the balance carry-over for 2023 and trusts that updated information on the impact of the comprehensive review of the schedule (see paras. 8 and 9 above) in the estimated requirements for 2024 will be provided to the General Assembly during its consideration of the present report and in future progress reports.**

Host country loan and repayment

46. The Advisory Committee recalls that the General Assembly, in its resolution 70/248 A, approved the financing of the project in part through an interest-free loan from the host country and authorized the Secretary-General to formally apply for the loan in the amount of SwF 400 million. The Swiss Parliament approved the Secretary-General's formal loan application and the corresponding loan contract was signed in April 2017. The total loan amounts assigned to the new building and the renovation remain at SwF 125.1 million (with 50-year repayment) and SwF 274.9 million (with 30-year repayment), respectively (A/72/7/Add.25, para. 26, and A/72/521, paras. 78-80).

47. It is indicated in the report of the Secretary-General that, as reported in the ninth progress report, with the occupancy of the new H building in May 2021, the 50-year repayment for the host country's interest-free loan in the amount of SwF 125.1 million expended for the new building began in December 2021. In its resolutions 74/263,

75/253 A and 77/263 A, the General Assembly decided that the annual repayments of the loan to the host country would be funded under the regular budget until decided otherwise. In that context, loan repayments have been included in the proposed programme budgets for 2022, 2023 and 2024 under section 33, Construction, alteration, improvement and major maintenance (A/78/503, paras. 78–80).

48. It is further indicated that the project continues to draw down the loan for the renovation works of the project. Owing to the updated programme schedule, the expected cumulative forecast expenditure against the Swiss loan has now been revised down to SwF 271.2 million at the end of 2023 (from the previous estimate of SwF 328.0 million in the ninth progress report). The repayment of the renovation portion of the loan is estimated to start at the end of December 2026, when the currently planned renovation works to building E are expected to be completed (rather than at the end of December 2025, as projected in the ninth progress report) (ibid., paras. 76, 78 and annex I, table A.I.2).

49. **The Advisory Committee reiterates its gratitude to the Government of Switzerland for its continued support to the strategic heritage plan since its inception.**

VI. Other matters

Implementation of the recommendations of the Board of Auditors

50. It is indicated that, since the previous reporting period, the Board of Auditors has carried out two visits to the project, from 7 to 18 November 2022 and from 13 to 24 March 2023. A further visit is planned from 4 to 15 December 2023. Regarding the status of the implementation of previous recommendations of the Board, as at 31 December 2022, of the 29 outstanding recommendations, 17 recommendations (59 per cent) had been implemented, 9 were under implementation (31 per cent), 2 had been overtaken by events (7 per cent) and 1 was not implemented (3 per cent). A list of the recommendations under implementation is included in annex III to the tenth progress report (ibid., paras. 14 and 15).

Accessibility in building H

51. The Advisory Committee recalls that the Board of Auditors made a number of recommendations relating to accessibility in building H (A/77/7/Add.13, para. 4). Upon enquiry, the Committee was informed that the accessibility optimization works identified for building H by the Board were well advanced: (a) the Braille on handrails and floor lighting adjustments were completed; (b) the adaptations to the stone floor finishes under the landscape stairs were nearing completion; and (c) the works to the doors in the lobby areas had been designed and were in the procurement process. It was expected that these optimization works would be concluded during 2024. The total cost of the related work was approximately SwF 68,000. At the time of writing, the costs were covered by the contingency provision, while recovery of the costs from the contractors would be in accordance with the terms of their contracts and on the advice of the Office of Legal Affairs.

Flexible workplace strategies and space efficiency

52. In its latest report (A/78/5 (Vol. I), chap. II, para. 303), the Board of Auditors observed a low and worrying occupancy rate at the United Nations Office at Geneva, including at the new building H, due to the changes in working habits (i.e. remote work from the COVID-19 pandemic). The Board was of the view that this was a matter of concern, considering that two additional buildings were still leased in

Geneva, at significant cost, notably for the Office of the United Nations High Commissioner for Human Rights, which was due to move into building H at the completion of the strategic heritage plan project. The Board considered that the early transitional plan and, more generally, the current ratio of eight desks for 10 people, did not appear relevant and raised concerns regarding the efficiency of space occupancy. The Board recommended that the Administration conduct a space optimization study by the end of 2023 and take steps to significantly increase the occupancy rate of the United Nations Office at Geneva premises, including building H (*ibid.*, para. 308).

53. The tenth progress report of the Secretary-General ([A/78/503](#)) indicates that, compared with the baseline capacity of 3,507 people, the projected final capacity (3,648) after the project, without additional space optimization measures, remains the same as reported in the ninth annual progress report, as shown in table 3 of the tenth progress report (including a ratio of 10 desks for 11 people for some of the newly created hybrid spaces in the historic buildings, leading to an increase of 30 people in the buildings). In response to the recommendation of the Board of Auditors that the project report on the occupancy rate on an annual basis, table 4 of the report provides an analysis (subject to potential anomalies to be refined in future years), showing that, based on data on the number of staff members attending the Palais des Nations daily, and excluding periods of traditional low attendance (such as holidays), the average staff attendance throughout the week is around 46 per cent with peaks of around 54 per cent. On the basis that the ratio of staff (2,811) assigned to buildings and the number of available workstations (2,904) is close to one-to-one, the average occupancy is therefore around 44.5 per cent with a peak of around 52.0 per cent.

54. Upon enquiry, the Advisory Committee was informed that the Division of Administration at the United Nations Office at Geneva had taken note of the recommendation of the Board of Auditors and was currently updating the information circular on the use of building premises and related facilities at the Office, which governs space planning and optimization elements. In addition, the Division was preparing a space optimization study. Space optimization and planning would begin for staff currently accommodated in the Palais des Nations and in the new building H. The project aimed for an optimized use of the buildings, which may include a higher flexible use ratio where feasible to reflect the post-COVID-19 working norms. The Office would finalize its space optimization study by the end of 2024, including revisions to the information circular.

55. **The Advisory Committee recalls that, in its resolution [70/247 A](#) authorizing the strategic heritage plan project to begin, the General Assembly acknowledged that space optimization was one of the key objectives of the strategic heritage plan and requested the Secretary-General to apply flexible workplace strategies. The Committee concurs with the recommendation of the Board of Auditors for the Administration to conduct a space optimization study by the end of 2023 and trusts that an improved ratio of space allocation will take into consideration the implementation of flexible workplace strategies and the data gathered on occupancy levels. The Committee recommends that the Assembly request the Secretary-General to provide information on the study and on an improved ratio of space allocation in the next annual progress report.** The Committee makes further comments on flexible workplace and staff-to-seat ratios in its report on the assessment of the workplace at United Nations Headquarters ([A/78/7/Add.15](#)).

56. On a related matter, the report of the Secretary-General provides information on the United Nations entities that have expressed interest in being accommodated within the Palais des Nations campus ([A/78/503](#), para. 49). Upon enquiry, the Advisory Committee was informed that a total of 20 entities had expressed such interest. The Committee also received information on the entities that were already accommodated

on the campus. **The Advisory Committee trusts that updated information will be provided in future progress reports of the Secretary-General on the strategic heritage plan project.**

Updated valorization strategy of United Nations-owned land in Geneva

57. Information on the updated valorization strategy, and related proposals for 2024, are provided in paragraphs 107 to 112 of the report of the Secretary-General ([A/78/503](#)) and in the supplementary information.

58. It is indicated in the report that the valorization consultants hired by the United Nations Office at Geneva updated the valorization study with revised income potentials and resource requirements for the implementation of phases 1 and 2 of the updated strategy. It is envisaged that, based on achieving a maximized annual income stream in the range of SwF 3.1 million to SwF 5.3 million per annum, it could deliver an estimated overall total net income ranging between SwF 259.76 million and SwF 457.76 million over a 90-year period. However, the supplementary information indicates that the income figures and land value provided should be treated with extreme caution, as they are only preliminary estimates based on many as-yet-unproven assumptions. It should also be noted that the administrative process to develop construction projects entails multiple stages and it may take up to five or six years to obtain all permissions and begin construction. In addition, the supplementary information indicates that all the figures given are dependent on eight factors being taken into consideration, for which costs will need to be incurred to maximize the valorization returns. The report also indicates that any annual operating costs would be deducted from the gross income before the return of net income to Member States.

59. Table 13 of the report indicates that, for phase 1 of the valorization strategy, an amount of SwF 1.6 million is requested for 2024, including a new P-4 temporary position of Programme Manager in the Division of Administration at the United Nations Office at Geneva, and an amount of SwF 1.7 million is estimated for 2025, resulting in a total estimated amount of SwF 3.3 million for 2024–2025. The estimated resource requirements for phase 2 (2026–2028) range from SwF 15.9 million (low) to SwF 24.0 million (high), including the replacement/relocation of premises (in the range of between SwF 12.6 million and SwF 20.7 million). **The Advisory Committee notes that estimated total amounts in the range of between SwF 19.2 million and SwF 27.3 million are required for the implementation of the strategy in two phases from 2024 to 2028.**

60. The Advisory Committee recalls that the valorization at market price of land owned by the United Nations Office at Geneva was initially raised in the context of exploring the possibilities of alternative funding mechanisms to reduce the overall assessment on Member States for the strategic heritage plan (see resolutions [69/262](#) and [70/248](#) A). The Committee further recalls that it expressed the view that the General Assembly may wish to decide that any valorization income should be separated from the strategic heritage plan project, as the valorization of land is a long-term and continuing matter and not related to the nature of a construction project as such ([A/72/7/Add.25](#), para. 30). In its resolution [72/262](#) A, the Assembly decided that all income from the rental or valorization of land owned by the Organization in Geneva would be reflected under income section 2, General income, of the programme budget, and that decision was most recently reiterated in resolution [77/263](#) A. Over the years, the Secretary-General has submitted similar proposals for the preparation of the valorization strategy, which have been updated over the years

(see e.g. [A/71/622](#), paras. 41–45,⁷ [A/72/7/Add.25](#), paras. 30–32, and [A/75/7/Add.12](#), paras. 29–33). Upon enquiry, the Committee received a summary of the related decisions of the General Assembly on the mandate for the valorization strategy since 2014 (see annex II).

61. The Advisory Committee notes that section VII.G of the report of the Secretary-General ([A/78/503](#)) contains only partial information on the updated valorization strategy and future resource requirements, and that additional details provided as supplementary information indicate that income figures and land value provided should be treated with extreme caution, as they are only preliminary estimates based on many as-yet-unproven assumptions. The Committee further notes that significant resources would be required from Member States for the implementation of the strategy. The Committee is therefore not convinced of the proposed approach and is of the view that the United Nations Office at Geneva should continue its outreach to potential tenants within existing resources for the parcels of land already identified with potential for valorization and provide updates to the General Assembly when more concrete prospectives become available. The Committee therefore recommends against: (a) the approval of the implementation of the updated valorization strategy set out in section VII.G of the report; and (b) the approval of the estimated requirements for the related preparatory works, in the amount of \$1,723,500 (SwF 1,598,000) for 2024.

62. The Advisory Committee reiterates its view that the valorization of land is a long-term and continuing matter and not related to the nature of a construction project, such as the strategic heritage plan project (see [A/72/7/Add.25](#), para. 30). Considering that the construction project is coming to an end in a few years, the Committee is of the view that future study of the matter, if decided by the General Assembly, is better placed under section 29 of the programme budget.

Energy consumption

63. In its previous report ([A/77/7/Add.13](#), para. 21), the Advisory Committee noted the revised objective in reduction of energy consumption of 11.5 per cent compared with the initial target of 25 per cent and encouraged the Secretary-General to continue his efforts to ensure lower energy consumption in view of the potential rise in energy costs. The Committee trusted that updated information on sustainability and the reduction of energy consumption would be included in the next progress report. In its resolution [77/263](#) A, the General Assembly recalled the project's objective to lower the energy consumption of the Palais des Nations by at least 25 per cent compared with the 2010 baseline.

64. The Advisory Committee notes that the tenth annual progress report ([A/78/503](#), paras. 54–56) contains similar information to that of the ninth progress report ([A/77/492](#), paras. 45 and 46). The Secretary-General reiterates that the revised baseline objective reduction in energy consumption to be achieved under the strategic heritage plan is now 11.5 per cent, compared with the 2015 revised baseline energy consumption level of 25 per cent.

Ventilation and cooling

65. The Advisory Committee recalls that, in its resolution [77/263](#) A, the General Assembly reiterated its decision not to approve the installation of ventilation and

⁷ It was reported by the Secretary-General that a comprehensive independent valorization study had been undertaken through a consultancy company. Six parcels of land were determined to have valorization potential (see [A/71/403](#) and [A/71/403/Corr.1](#)).

cooling at the Palais des Nations in the strategic heritage plan project. Upon enquiry, the Committee was informed that, in line with the direction of the Assembly, the installation of ventilation and cooling in the office spaces in the renovated buildings will not occur unless specifically required by the local building codes. The strategic heritage plan project will upgrade existing ventilation and cooling as part of the renovation works of the conference rooms and associated facilities, such as server rooms, the new United Nations Web TV conference rooms, the new security control centre and the press briefing room.

Out-of-scope projects

New visitors' centre

66. The Secretary-General reports that the project to construct a new visitors' centre is moving forward, albeit with delays. Owing to budget overruns experienced, the donor re-evaluated the scope of the building, which now includes a new constructed area of 1,965 m² (compared with the initially planned 3,000 m² building space) and an outdoor landscaped area of 1,705 m² as illustrated in the report (A/78/503, annex V, figure A.V.I). The construction of the centre is planned to begin by the end of 2023, with the opening of the centre anticipated during spring or summer 2025. In addition, the permanent exhibition space for visitors is currently in the final design intent phase by an expert media design firm, with inputs from the Department of Global Communications and United Nations agencies based in Geneva. According to the design, visitors would walk through an exhibitions area demonstrating the work of the United Nations before touring the historic buildings at the Palais des Nations. The project for the new visitor's centre is fully funded by the donor and the operations of the new centre are expected to be cost-neutral to Member States (*ibid.*, paras. 6–9). **The Advisory Committee trusts that updated information on the progress on the visitors' centre will be included in the next progress report.**

Expansion of the Geneva main train station and track infrastructure

67. The Secretary-General reports that, further to the previous reports on the expansion of the Geneva main train station and track infrastructure project, and in conformity with the agreements signed in 2019 and 2021,⁸ there are ongoing interactions between Swiss Federal Railways and the United Nations Office at Geneva to coordinate on various pre-activities that are necessary to begin the works. Swiss Federal Railways has confirmed that, while the project is delayed as compared with the initial plans, it currently aimed at breaking ground in 2027 (*ibid.*, paras. 10 and 11). **The Advisory Committee trusts that updated information on the expansion of the Geneva train track infrastructure project will be included in the next progress report.**

Day-care centre

68. The Secretary-General indicates that, further to the information provided in the eighth and ninth annual progress reports regarding the feasibility study undertaken for the construction of a day-care facility on land owned by the United Nations Office at Geneva, the World Intellectual Property Organization (WIPO) determined that the facility is no longer necessary due to the introduction of new flexible working arrangements at WIPO and in particular the increased use of telecommuting by staff. WIPO informed the Office in late 2022 that it would not pursue this project further.

⁸ Between Swiss Federal Railways, the United Nations, represented by the United Nations Office at Geneva, and the City of Geneva for the temporary occupancy and cession of United Nations-owned land in relation to the expansion of the Geneva train track infrastructure (A/77/7/Add.13, para. 40).

The United Nations Office at Geneva is therefore not able to continue this project without financial contribution from WIPO (ibid., para. 12).

VII. Conclusion

69. The actions requested of the General Assembly are contained in paragraph 114 of the report of the Secretary-General (A/78/503). The Assembly is requested to:

- (a) Take note of the report;
- (b) Extend the temporary position of Architect (P-4) until the end of 2024 and approve the reassignment of the position of Senior Administrative Officer (P-5) to a position of Senior Programme Management Officer (P-5);
- (c) Decide on the scheme and currency of appropriation and assessment for the strategic heritage plan;
- (d) Approve the establishment of a multi-year special account for the project;
- (e) Approve the implementation of the updated valorization strategy set out in section VII.G of the report;
- (f) Approve the estimated requirements for the related preparatory works, in the amount of \$1,723,500 (SwF 1,598,000) for 2024, and the corresponding reduction in total income estimates in income section 2, from \$26,675,200 to \$24,951,700.

70. Subject to its recommendations and observations above, the Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General.

Annex I

Monthly actual expenditure for the period January 2014–September 2023

(Thousands of Swiss francs)

<i>Cost type</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>Total^a</i>
2014													
Consultancy services	–	71.0	–	160.0	–	339.0	248.0	176.0	170.0	115.0	253.0	160.0	1 692.0
United Nations Office at Geneva programme management	29.0	48.0	38.0	30.0	29.0	165.0	169.0	70.0	191.0	169.0	174.0	167.0	1 281.0
2015													
Consultancy services	1 295.0	144.0	2 247.0	1 328.0	1 346.0	3 560.0	302.0	6 694.0	426.0	106.0	99.0	5 958.0	23 503.0
United Nations Office at Geneva programme management	217.0	134.0	233.0	156.0	197.0	261.0	271.0	293.0	337.0	292.0	275.0	263.0	2 929.0
2016													
Consultancy services	151.0	(32.0)	261.0	2 186.0	1 099.0	230.0	2 502.0	148.0	2 459.0	2 652.0	2 522.0	574.0	14 750.0
United Nations Office at Geneva programme management	275.0	328.0	299.0	335.0	309.0	432.0	321.0	387.0	301.0	332.0	309.0	291.0	3 920.0
2017													
Associated costs	–	–	–	–	–	–	–	–	–	278.0	–	316.0	595.0
Construction/refurbishment	–	–	–	–	–	652.0	–	904.0	452.0	286.0	–	1 046.0	3 341.0
Consultancy services	94.0	2 669.0	323.0	(58.0)	5 780.0	782.0	4 219.0	3 596.0	272.0	152.0	1 716.0	1 940.0	21 486.0
United Nations Office at Geneva programme management	266.0	267.0	291.0	428.0	326.0	303.0	304.0	346.0	376.0	319.0	313.0	364.0	3 903.0
2018													
Associated costs	–	–	–	–	–	323.0	–	–	–	–	–	379.0	702.0
Construction/refurbishment	–	1 040.0	844.0	914.0	322.0	916.0	3 061.0	1 690.0	2 555.0	2 880.0	1 813.0	2 127.0	18 164.0
Consultancy services	(3.0)	1 133.0	1 724.0	498.0	828.0	916.0	4 038.0	658.0	3 054.0	699.0	3 764.0	1 518.0	18 828.0
United Nations Office at Geneva programme management	286.0	381.0	234.0	245.0	321.0	256.0	306.0	325.0	360.0	324.0	384.0	320.0	3 742.0
2019													
Associated costs	–	–	–	–	–	–	4.0	15.0	–	–	–	4.0	24.0
Construction/refurbishment	2 823.0	1 439.0	1 606.0	1 434.0	1 158.0	1 065.0	2 994.0	1 378.0	0.0	4 319.0	3 456.0	14 361.0	36 035.0

<i>Cost type</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>Total^a</i>
Consultancy services	0.0	1 657.0	313.0	21.0	2 344.0	683.0	823.0	386.0	2 127.0	1 040.0	462.0	2 408.0	12 264.0
United Nations Office at Geneva programme management	289.0	305.0	334.0	318.0	305.0	369.0	262.0	335.0	413.0	484.0	342.0	335.0	4 091.0
2020													
Associated costs	—	243.0	4.0	—	3.0	—	6.0	32.0	—	(1.0)	2.0	(159.0)	130.0
Construction/refurbishment	(512.0)	1 116.0	10 546.0	7 253.0	4 480.0	1 333.0	2 603.0	4 656.0	4 430.0	4 809.0	5 718.0	11 814.0	58 245.0
Consultancy services	(1 766.0)	687.0	2 908.0	1 458.0	760.0	658.0	1 051.0	1 743.0	512.0	1 179.0	1 094.0	2 118.0	12 401.0
United Nations Office at Geneva programme management	290.0	319.0	321.0	332.0	430.0	518.0	469.0	398.0	325.0	340.0	347.0	333.0	4 421.0
2021													
Associated costs	—	—	665.0	2 316.0	1 814.0	435.0	139.0	206.0	897.0	257.0	778.0	236.0	7 744.0
Construction/refurbishment	—	857.0	3 803.0	4 151.0	7 192.0	6 166.0	5 457.0	7 084.0	7 477.0	8 318.0	10 825.0	15 026.0	76 356.0
Consultancy services	33.0	908.0	824.0	799.0	998.0	958.0	661.0	501.0	1 503.0	853.0	728.0	1 197.0	9 963.0
United Nations Office at Geneva programme management	271.0	285.0	288.0	328.0	287.0	313.0	377.0	270.0	262.0	355.0	372.0	453.0	3 861.0
2022													
Associated costs	110.0	111.0	227.0	162.0	209.0	47.0	40.0	138.0	(34.0)	122.0	10.0	38.0	1 179.0
Construction/refurbishment	11 955.0	1 582.0	22 948.0	74.0	17 438.0	199.0	15 200.0	23.0	5 852.0	11 009.0	5 450.0	5 373.0	97 104.0
Consultancy services	310.0	1 112.0	784.0	311.0	1 464.0	715.0	708.0	752.0	438.0	1 623.0	736.0	362.0	9 314.0
United Nations Office at Geneva programme management	287.0	276.0	300.0	368.0	396.0	387.0	431.0	370.0	394.0	398.0	357.0	359.0	4 323.0
2023													
Associated costs	306.0	88.0	9.0	754.0	540.0	25.0	44.0	774.0	31.0	—	—	—	2 570.0
Construction/refurbishment	5 116.0	6 130.0	4 052.0	10.0	6 361.0	5 109.0	3 280.0	1 646.0	2 161.0	—	—	—	33 865.0
Consultancy services	957.0	732.0	551.0	797.0	657.0	1 308.0	816.0	777.0	745.0	—	—	—	7 341.0
United Nations Office at Geneva programme management	308.0	357.0	317.0	293.0	353.0	376.0	393.0	466.0	370.0	—	—	—	3 234.0
Total	23 387.0	24 387.0	57 294.0	27 401.0	57 746.0	29 799.0	51 499.0	37 237.0	38 856.0	43 709.0	42 299.0	69 681.0	503 301.0

^a Numbers may not add up due to rounding.

Annex II

Summary of the related decisions of the General Assembly on the mandate for the valorization strategy since 2014

1. In 2014, the General Assembly, in its resolution [69/262](#), requested the Secretary-General to continue to explore the possibilities of alternative funding mechanisms to reduce the overall assessment on Member States for the strategic heritage plan. In paragraph 98 of his report ([A/69/417](#) and [A/69/417/Corr.1](#)), the Secretary-General indicated one such potential mechanism would be the sale or lease of certain parcels of land owned by the United Nations in Geneva.
2. In 2015, the Secretary-General, in his second annual progress report ([A/70/394](#), paras. 122–130) reported that the portfolio of parcels of land owned by the United Nations in Geneva had been analysed and several plots identified as possible opportunities to generate income, though all options would take some time and resources to fully develop. In section X, paragraph 26, of its resolution [70/248 A](#), the General Assembly requested the Secretary-General to provide detailed information on the next steps towards identifying additional sources of income through, among other things, the valorization at market price of land owned or occupied by the United Nations Office at Geneva, including but not limited to that currently occupied by the Club international de tennis, the Fondation de l'École internationale de Genève and the Parc des Feuillantines.
3. In 2016, in the third annual progress report of the strategic heritage plan ([A/71/403](#) and [A/71/403/Corr.1](#)), the Secretary-General proposed the establishment of a dedicated valorization team consisting of a Project Coordinator (P-4) and an Administrative Assistant General Service (Other level)), to be supported by specialist consultancy firms in the areas of real estate advisory services, architectural design and planning services and legal services. The General Assembly, in section XVIII, paragraph 24, of its resolution [71/272 A](#), recalled paragraph 45 of the report of the Advisory Committee on Administrative and Budgetary Questions ([A/71/622](#)), which recommended against the Secretary-General's request for the establishment of a dedicated valorization team to carry out such tasks, recommending instead the use of expert consultancy services for this purpose, to be funded under section 29 of the programme budget.
4. In his fourth progress report ([A/72/521](#)), the Secretary-General further indicated that, in line with paragraph 45 of the report of the Advisory Committee of the previous year ([A/71/622](#)) and as endorsed by the General Assembly in section XVIII of its resolution [71/272 A](#), procurement was then in progress to select an expert consultancy firm to undertake further valorization works. At that time, it was estimated that these services would take approximately two to three years, starting from the completion of the procurement process of the consultancy firm. Given the resource constraints under section 29F, it was further proposed that these resource requirements be funded from the overall maximum cost of the strategic heritage plan.
5. The General Assembly, in section XVI, paragraph 14, of its resolution [72/262 A](#), recalled paragraph 30 of the report of the Advisory Committee ([A/72/7/Add.25](#)), which recommended that the Assembly may wish to decide that any valorization income should be separated from the strategic heritage plan project, as the valorization of land was a long-term and continuing matter and not related to the nature of a construction project as such. The Assembly therefore decided that all income from the rental or valorization of land owned by the Organization in Geneva would be reflected under income section 2 of the proposed programme budget for the biennium 2018–2019.

6. The General Assembly, in section XIII, paragraph 18, of its resolution [73/279 A](#), reiterated that all income from the rental or valorization of land owned by the Organization in Geneva would be reflected under income section 2, General income, of the programme budget for the biennium 2018–2019.

7. The General Assembly, in section VII, paragraph 23, of its resolution [74/263](#), reiterated that all income from the rental or valorization of land owned by the Organization in Geneva would be reflected under income section 2, General income, of the proposed programme budget for 2020. In addition, in paragraph 25, the Assembly encouraged the Secretary-General to continue his efforts in maximizing the long-term generation of income through long-term, community-oriented leasing arrangements for United Nations-owned land in Geneva, and in this regard requested the Secretary-General to present detailed plans on the valorization strategy and preparatory works, including the scope, duration and resource requirements for the preparatory works, for the consideration of the Assembly as early as practicable.

8. The General Assembly, in section IX, paragraph 3, of its resolution [75/253 A](#), endorsed the conclusions and recommendations contained in the report of the Advisory Committee ([A/75/7/Add.12](#)). The Committee noted, in paragraph 33 of its report, the efforts made to present an updated valorization strategy; however, the Committee also considered that the strategy needed to reflect, inter alia, the full and long-term impact of the coronavirus disease (COVID-19) pandemic, flexible working arrangements, potential changes in the planned occupancy and the use of the building information modelling. The Committee, therefore, recommended against the costs for the preparatory works of the valorization strategy in the amount of SwF 2,800,000 for 2021 and 2022 (\$1,300,000 total for 2021), to be funded from income section 2 of the programme budget for 2021, and the corresponding reduction in total income estimates in income section 2 from \$19,265,100 to \$17,965,100 (see [A/75/355](#), para. 108 (e) and (f)). The Committee further recommended that the Assembly request the Secretary-General to present a refined valorization strategy and the related cost implications in the context of the next progress report.

9. The General Assembly, in section XVIII, paragraph 26, of its resolution [76/246 A](#), noted paragraph 34 of the report of the Advisory Committee ([A/76/7/Add.15](#)), in which the Committee encouraged the Secretary-General to continue his efforts to maximize the long-term generation of income through long-term, community-oriented leasing arrangements for United Nations-owned land in Geneva and trusted that an updated valorization strategy would be presented in the next progress report. The Committee saw merit in the envisaged consultancy and recommended that the proposed related requirements be absorbed from within the increased rental income generated from the additional entities accommodated in the Palais des Nations campus during the reporting period (*ibid.*, para. 22). In addition, in the same paragraph of its resolution [76/246 A](#), the Assembly further decided to consider the possibility of allocating proposed requirements for a valorization consultancy in the amount of \$55,800 during the main part of its seventy-seventh session. In the following paragraph of the resolution, the Assembly decided not to approve proposed requirements for a valorization consultancy in the amount of \$55,800 for 2022, and adjust the amount of income section 2, General income, accordingly.

10. In its most recent resolution ([A/77/263 A](#), sect. VI, para. 2), the General Assembly endorsed the conclusions and recommendations contained in the report of the Advisory Committee ([A/77/7/Add.13](#)), which included, in paragraph 38, a recommendation to approve the valorization consultancy work in the amount of \$55,800 for 2023, with the corresponding reduction in total income estimates projected under income section 2. In accordance with this, the valorization strategy has been updated and presented in the tenth progress report of the Secretary-General for the approval of the Assembly at its seventy-eighth session.