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Strategic heritage plan of the United Nations Office at Geneva

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance copy of the report of the Secretary-General on the strategic heritage plan of the United Nations Office at Geneva ([A/69/417](#) and Corr.1). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 3 November 2014.

2. The report of the Secretary-General was submitted pursuant to General Assembly resolution 68/247 A, in which the Assembly requested the Secretary-General to submit, inter alia, annual progress reports on the implementation of the strategic heritage plan. In the same resolution, the Assembly requested the Secretary-General to report on specific matters in relation to the strategic heritage plan at the main part of its sixty-ninth session; on some other matters no later than at the main part of its seventieth session; and on other matters, on a continuing basis, in the context of future progress reports.

3. In the same resolution, the General Assembly requested the Secretary-General, through the Office of Central Support Services of the Department of Management of the Secretariat, to take into account lessons learned and best practices from past construction and renovation projects in implementing the strategic heritage plan, in particular to draw from experience and know-how acquired from large capital projects, including the capital master plan. The Assembly also requested the Secretary-General to ensure robust internal project control mechanisms in the context of the scope, cost, schedule and quality of the strategic heritage plan (see resolution 68/247 A, sect. V, paras. 8-9).

* Reissued for technical reasons on 19 November 2014.



4. The specific provisions of General Assembly resolution 68/247 A, section V, related to actions on which the Secretary-General is expected to report at the main part of the Assembly's sixty-ninth session or in his next report on the strategic heritage plan are set out below.

5. The General Assembly requested the Secretary General: (a) to present options for ensuring effective governance and oversight with respect to the implementation of the strategic heritage plan (para. 10); (b) to report to the Assembly on plans to reuse existing furniture and to reduce new furniture requirements, where possible (para. 16); and (c) to refine his proposal with regard to the core functions of the strategic heritage plan project team and report thereon (para. 24). It authorized the Secretary-General to negotiate with the host country on loan arrangements for both the renovation and the construction portions of the strategic heritage plan, including the possibility of an interest-free loan, and to report to the Assembly (see para. 29). In addition, it decided to revert to the establishment of the multi-year special account for the strategic heritage plan (para. 31).

6. The Advisory Committee notes that the report of the Secretary-General addresses the requests made by the General Assembly in its resolution 68/247 A as well as the comments and recommendations made by the Committee in its previous report ([A/68/585](#)). The comments and recommendations of the Committee on some of the specific proposals made by the Secretary-General in the context of the implementation of the strategic heritage plan are contained in section II of the present report. Section III of the report provides the comments and recommendations of the Committee on project financing, and section IV contains the summary of overall conclusions and recommendations of the Committee.

II. Specific proposals of the Secretary-General made in the context of strategic heritage plan implementation

A. Pre-design project activities

7. In paragraphs 5 to 17 of his report, the Secretary General provides an overview of the progress made since the approval of implementation strategy (c) by the General Assembly in its resolution 68/247 A. The Secretary-General recalls that the approved strategy entails the complete renovation of the Palais des Nations, including the replacement of the E building office tower with a new building of equivalent size. The latter is to serve initially as swing space to facilitate the most economical project implementation.

8. In this context, the Advisory Committee recalls that the inadequate structural stability prevalent in the E and S office buildings were confirmed, based on the seismic codes that were updated subsequent to recorded earthquake activity in the area (see [A/68/372](#), para. 17 (a)). The Committee further recalls that the Swiss codes for earthquake safety, which date from 2003, were under revision, and that the French codes (updated in October 2010) for the areas adjacent to the Palais des Nations had been consulted for evaluating the safety of the complex (see [A/68/585](#), para. 5). In the context of its consideration of the report of the Secretary-General on progress in the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa ([A/69/359](#)), the Committee was informed upon enquiry that the Eurocode standards were being used for conducting seismic studies on some of the

premises owned by the United Nations, including the United Nations Office at Geneva. The Committee was further informed that, according to those standards, Geneva is located in a seismic threat zone that could experience earthquakes the intensity of which could reach level VII (on a scale reaching level X+) and that, in the event of an earthquake, the potential damage would be moderate.

9. In the context of the present report, the Advisory Committee was informed upon enquiry that the Swiss authorities, while not in disagreement with the more restrictive code of the French authorities, had not yet revised their earthquake safety codes. The Committee was further informed that, consequently, the project continues to adopt the most robust practice in the region related to seismic threats. **The Advisory Committee reiterates its recommendation that the Secretary-General follow up with the relevant authorities in the host country on the revision of the earthquake safety codes and inform the General Assembly of any development in that regard.**

10. In his report, the Secretary-General provides an update on the status of engaging dedicated consultancy services for the required lead design and specialized design services, which includes the initiation of an international competitive tender for those services. The Advisory Committee was informed upon enquiry that representatives from 28 firms participated in the mandatory bidder's conference held in January 2014, subsequent to which 11 proposals were submitted from companies from six countries. The Committee was also informed that contract negotiations were being finalized (see [A/69/417](#), para. 8).

11. In accordance with the request made by the General Assembly to start construction work at the earliest opportunity, the Secretary-General indicates the actions taken in this regard, which include the selection of specialist firms to carry out structural assessments of the buildings and an in-depth assessment of hazardous material. The Secretary-General also indicates the tasks that have been completed by the programme management firm and the independent risk management firm (*ibid.*, paras. 16-17).

12. The Advisory Committee was informed upon enquiry that the in-depth site assessment studies have been tendered in parallel with the lead design in order to gain approximately two months in the completion of the construction-related documents. The Committee was further informed that the appointment of a construction company by mid-2016 could lead to the commencement of construction soon thereafter. It was then indicated that such an appointment was not expected before the last quarter of 2016, and that construction work could be expected to commence between four and six weeks after the contract had been awarded. The Committee recalls its view that the construction and renovation phases could start, as soon as feasible, after the capital master plan has been completed (see [A/68/585](#), para. 14). **The Advisory Committee recommends that the General Assembly request the Secretary-General to provide his final proposal in respect of the measures to be taken to expedite the commencement of construction work relative to the strategic heritage plan in his next progress report.**

13. In the context of the linkage between the end date for the capital master plan and the start date for the construction work relative to the strategic heritage plan referred to in General Assembly resolution 68/247 A, the Advisory Committee was informed upon enquiry that the continued delays in the issuance of permits by the host city (in this case, New York) would lead to delays in the completion of the

security-related work on 42nd and 48th Streets. The Committee was further informed that the security-related work was expected to be completed by late 2016 and that the Secretariat believed that the risk of the final completion date for this work extending beyond 2016 was low. The Committee discussed the issue of delays in the completion of the capital master plan in its report (see [A/69/529](#), paras. 33-36). **The Advisory Committee recalls the requests made by the General Assembly in its resolution 68/247 A to the Secretary-General to ensure that major capital expenditure projects are not implemented simultaneously in order to prevent the need to finance and supervise them at the same time and that the renovation phase of the strategic heritage plan not start before the Assembly has taken a decision on this matter and the capital master plan has been completed. The Committee is concerned about the delays projected in the full implementation of the capital master plan and recommends that the Assembly request the Secretary-General to make every effort to expedite the completion of the capital master plan so as to start construction work on the strategic heritage plan at the earliest opportunity.**

B. Lessons learned

14. In his report, the Secretary-General indicates that the lessons learned from the capital master plan have been incorporated and that additional lessons from industry experts have been collected to guide the planning of the forthcoming activities in relation to the strategic heritage plan (see [A/69/417](#), paras. 18-20).

15. Concerning the key lessons incorporated from the capital master plan, the Secretary-General specifically notes the need to establish a core dedicated project management team, with operational experts as partners, and to allow for flexible contracted expertise (see paras. 33-43 below). In this connection, the Advisory Committee notes that the Board of Auditors, in its most recent report on the capital master plan, observed that the Administration is applying lessons learned from the capital master plan to the strategic heritage plan. According to the Board, unlike the capital master plan, the strategic heritage plan incorporates the associated costs as part of the total project requirements and proposes a governance structure, including a steering committee independent of the project team, to scrutinize the cost, schedule and scope of the renovation of offices in Geneva and decide on the use of contingency funding. The Board summarized the main lessons learned from its coverage of the capital master plan for the Administration to draw upon when starting future major projects (see [A/69/5 \(Vol. V\)](#), paras. 66-67). The Committee discusses further the importance of learning lessons from large-scale capital projects in its report on the capital master plan (see [A/69/529](#), paras. 16-17). **The Advisory Committee trusts that, in the implementation of the strategic heritage plan, the Secretary-General will continue to draw upon lessons learned from large-scale capital projects.**

C. Proposed project tasks for 2015

16. The proposed project tasks to be undertaken during 2015 are provided in section VII of the report of the Secretary-General as part of the envisaged next steps. The Advisory Committee was informed upon enquiry that the specific tasks proposed for the consideration of the General Assembly are: completion and

evaluation of the building and in-depth site assessment; completion of the concept or schematic design for the entire strategic heritage plan; development of detailed designs for the construction of the new permanent building; renovation of the A conference building and protection against fire of the historical archives in the B building; development of a detailed cost estimate for the entire strategic heritage plan; and initiation of the preparatory activity for tender documentation.

17. As indicated in paragraph 11 above, specialist firms were selected in 2014 to carry out structural assessments of the buildings and an in-depth assessment of hazardous material. The Advisory Committee was informed upon enquiry that the design study for the entire project will commence in December 2014; the overall concept/schematic design is expected to start in April 2015; and the detailed design work for phase 1 is scheduled to start in August 2015. In addition, during the remainder of the biennium 2014-2015, other activities such as the planning and risk management of the project are proposed to progress as planned.

D. Internal project control mechanisms

18. Pursuant to the request made by the General Assembly in its resolution 68/247 A, the Secretary-General makes proposals with regard to the internal project control mechanisms that would enable the strategic heritage plan team to control and manage the approved project implementation strategy. In that connection, the Secretary-General indicates that the programme management firm has developed internal project control mechanisms with regard to scope, cost, schedule and quality of the strategic heritage plan (see [A/69/417](#), para. 16). The details of the internal control mechanism, which are provided in paragraphs 21 to 30 and annex I of the report of the Secretary-General, are summarized below:

(a) The scope¹ control mechanism entails regular meetings, for the review of design and construction activities, attended by the internal stakeholders at the United Nations Office at Geneva, the strategic heritage plan team, the programme management firm and the independent risk management firm. It is proposed that any requests for scope changes at the subproject level deemed necessary after its review by the Project Director be submitted to the steering committee for approval;

(b) The cost and schedule control mechanism is based on a work breakdown structure that identifies the project tasks in greater detail and provides the framework from which planned costs, time and schedule, and performance can be monitored. It is proposed that the project's performance in terms of cost and time be reported through: (i) the critical path network, a dynamic project management tool; and (ii) the earned value analysis, which is not dynamic but, rather, provides a quantitative overview of the project's progress and measures its performance in terms of cost and time. It is also proposed that the critical path network, which is updated periodically, be the primary source of data for reporting progress by the programme management firm. The details of the proposed method for monitoring and reporting progress made by the project are provided in annex I of the report of the Secretary-General;

(c) The quality control mechanism requires compliance with programme objectives and the standards of design during the construction phase. It also requires

¹ The combination of activities, objectives and benefits constitute the scope of the project.

that each contractor develop a quality management plan prior to the commencement of a contract, which would be approved and the implementation of which would be verified periodically by the project management team.

19. In paragraph 137 of his report, the Secretary-General indicates that the programme management firm, acting as an extension of the dedicated project management team, will be accountable for the oversight of the design development, specifically in the context of the project schedule and cost controls, to ensure that the project design activities are developed and controlled, thus enabling the future construction work to remain within the estimated cost plan and schedule and in accordance with the required quality parameters.

20. The Advisory Committee recalls that the Board of Auditors, in its most recent report on the capital master plan, observed that established good practice in the delivery of major projects is to put in place a system of independent project assurance to provide expert advice, independent of the project team, to the senior responsible owner. The Committee further recalls the Board's view that, at present, no established approach exists to provide independent project assurance in the United Nations (A/69/5 (Vol. V), paras. 17 and 25). **The Advisory Committee welcomes the Secretary-General's approach of including the provision of expert independent advice for assuring schedule and cost controls in the proposed internal project control mechanisms for the strategic heritage plan. The Committee looks forward to receiving information on the results of the application of the proposed mechanisms in the context of the future progress reports of the Secretary-General.**

E. Project governance and oversight framework

21. The Secretary-General proposes a governance and oversight framework for the implementation of the strategic heritage plan and indicates that it is a refinement of the proposal he made in his earlier report (see A/68/372, paras. 123-130). The details of the refined governance and oversight framework are provided in paragraphs 31 to 50 of the report of the Secretary-General. The key components of the proposed framework are the following:

- (a) The Director-General of the United Nations Office at Geneva, as project owner;
- (b) The Advisory Board;
- (c) The Director of Administration of the United Nations Office at Geneva;
- (d) The Project Director;
- (e) The Steering Committee;
- (f) Internal stakeholders of the United Nations Office at Geneva.

22. The Secretary-General indicates that the enhanced governance and oversight framework builds on the overall risk management strategy described in his previous report (see A/68/372, paras. 123-130, and annex III), and that a key new element, in the form of the Advisory Board, has been introduced. He further indicates that the terms of reference of the Steering Committee has been established in the enhanced framework. The roles of the Advisory Board, the Steering Committee and the

Project Director within the overall project governance and oversight framework are discussed below.

Advisory Board

23. The Secretary-General proposes that the Advisory Board be an independent and impartial entity, to provide advice and guidance in the management of the project to the Director-General of the United Nations Office at Geneva in his role as the project owner; that the Advisory Board be constituted by a chair and subject matter experts and that the Project Director of the strategic heritage plan serve as its Secretary; and that the members of the Advisory Board be:

- (a) A representative of the strategic heritage plan project management team;
- (b) A representative of the strategic heritage plan independent risk management firm;
- (c) An adviser from the Office of Central Support Services on lessons learned from the capital master plan and other construction projects;
- (d) Guest advisers requested by the Project Director or the Director of Administration.

24. The Advisory Committee was informed upon enquiry that the Secretary-General envisages that the Advisory Board would be able to provide independent advice and oversight. The Committee was also informed that guidance will be sought from the General Assembly on the membership the Advisory Board, which is expected to comprise representatives of Member States with specialized skills or interest in the management of major capital projects. **The Advisory Committee notes the proposal made by the Secretary-General to establish an Advisory Board for the strategic heritage plan and looks forward to receiving more information regarding its membership and functional arrangements, including on how members of the Board who are responsible for the day-to-day implementation of the project can avoid facing situations of conflict of interest, in the next progress report of the Secretary-General.**

Steering Committee

25. It is proposed that the Steering Committee provide oversight of the overall performance of the project and ensure that the requirements of internal and external stakeholders and the Organization as a whole are met. It is also proposed that the Steering Committee be composed of the following:

- (a) Two co-chairs: the Director-General of the United Nations Office at Geneva and the Under-Secretary-General for Management;
- (b) Secretary: the Project Director of the strategic heritage plan (ex officio);
- (c) Representatives of internal stakeholders: heads of the United Nations Conference on Trade and Development, the Office of the United Nations High Commissioner for Human Rights, the Economic Commission for Europe, the Office for the Coordination of Humanitarian Affairs and the Department for General Assembly and Conference Management;
- (d) Other representatives from other departments and offices: the Department of Safety and Security, the Department of Management, the Office of

Central Support Services, the Office of Programme Planning, Budget and Accounts and the Office of Information and Communications Technology.

26. It is further indicated that the Assistant Secretary-General of the Office of Central Support Services of the Department of Management at Headquarters, also a member of the Steering Committee, would provide regular support and advice, through the Director of Administration of the United Nations Office at Geneva, to the Project Director of the strategic heritage plan. The details concerning the role and functions of the Steering Committee are provided in paragraphs 41 to 46 of the report of the Secretary-General.

27. The Advisory Committee was informed upon enquiry that the membership of the major internal stakeholders is crucial to securing their commitment to the common goals of the project, which is why it is proposed that each of the four major client departments located in Geneva have one representative. The possibility of including an additional representative on behalf of all other internal stakeholders at the Palais des Nations is also proposed. The Committee was further informed that the establishment of a Steering Committee was prepared by the Secretary-General to implement a prior recommendation of the Committee requiring the establishment of a formal oversight committee or governance body for the strategic heritage plan and future major capital projects (see [A/68/585](#), para. 70).

28. The Committee recalls that the Board of Auditors observed, in respect of the capital master plan, that it was unusual for a project of this nature, complexity and importance not to have a high-level internal steering committee to provide both support and an independent challenge to the project team and that more effective and robust governance over the capital master plan was needed. The Committee also recalls that, according to the Board, it was typical in a project of this nature for senior management to be supported by expert advice that is independent of the project team. **The Advisory Committee welcomes the proposal to establish the Steering Committee in the initial phase of the strategic heritage plan as part of its project governance and oversight framework, and trusts that the advice and stewardship provided by the Committee will prove beneficial to all stakeholders.**

Project Director

29. It is proposed that the Project Director will have overall responsibility for the day-to-day performance of the project team and the delivery of the project. It is also proposed that the Project Director will manage the commissioning and handover process of the renovated and constructed premises. The Advisory Committee was informed upon enquiry that, in line with the proposal, the Project Director is to be responsible for the execution of the full scope of project deliverables, including for ensuring that the project objectives are achieved and the established standards for quality are met. The scope of the authority envisaged for the Project Director includes approving decisions required to execute the project within the agreed scope and objectives and implementing changes without referring to the Steering Committee when such changes are limited to the use of the agreed amount for project contingency. Details on the changes that can be implemented by the Project Director and those that require the approval of the Steering Committee are contained in paragraph 39 of the report of the Secretary-General.

30. The Advisory Committee has discussed the management of project contingencies in its previous report on the strategic heritage plan (see [A/68/585](#), paras. 73-81). In addition, the Committee recalls that the Board of Auditors observed, in its report on the capital master plan, that governance arrangements need to be established to ensure that decisions to use the project contingency are clearly and transparently justified and reported (see [A/68/5 \(Vol. V\)](#), annex V). **The Advisory Committee considers that the authority allowed to the Project Director as a core component of the proposed governance and oversight framework, in particular with respect to the use of the agreed amount for project contingency, is far-reaching, and reiterates its recommendation that the General Assembly request the Secretary-General to improve the management of the contingency provisions by assigning the responsibility for the utilization of the provisions to a project governing body (see [A/68/585](#), para. 81).**

31. The Advisory Committee also stresses the need to avoid any potential conflict of interests, given that the Project Director will be responsible for the execution of the full scope of the project, function as Secretary of the Steering Committee and be responsible for approving changes in the project scope.

F. Initiation of oversight by the Board of Auditors

32. The Advisory Committee recalls that the General Assembly, in its resolution 68/247 A (see sect. V, para. 11), stressed the importance of oversight with respect to the development and implementation of the strategic heritage plan, and requested the Committee to request the Board of Auditors to initiate oversight activities and to report annually thereon to the Assembly. The Board of Auditors, on the request of the Committee, proposed that its first report on the strategic heritage plan be prepared during the third quarter of 2015, after the final plan and cost estimates were ready for submission to the General Assembly. The Board has said that its report will focus on the rigor and completeness of the project's design and budgeting processes, the proposed project governance, management and commercial arrangements and the management of risks going forward, among other areas. **The Advisory Committee looks forward to receiving information on the findings of the planned audit of the Board of Auditors in this regard.**

G. Refinement of the proposed functions of the dedicated project management team

33. Pursuant to the request made by the General-Assembly in its resolution 68/247 A, the Secretary-General proposes that the functions of the dedicated project management team be refined through the identification of its three distinct components: a project management team, dedicated operational experts and contracted external expertise (see [A/69/417](#), paras. 124-132). The Advisory Committee was informed upon enquiry that the respective responsibilities of the three components of the project team have been clearly delineated to avoid any overlap. The role of the three components of the dedicated project management team and the staffing of the project management team and the dedicated operational experts are discussed below.

Project management team

34. According to the Secretary-General, the project management team is required to perform strategic, operational and administrative roles, including monitoring the design, construction and logistical activities performed by external consultants and controlling the delivery of the entire project to ensure completion on time, within budget and in accordance with the established operational standards of the Organization. For the staffing of the team, the Secretary-General proposes the continuation of 11 existing temporary positions (1 D-2, 2 D-1, 2 P-5, 4 P-4, 1 P-3 and 1 General Service (Other level)). The Secretary-General further proposes the establishment of three additional temporary positions: a Project Officer position (P-4), to strengthen the management capacity at the senior level, and two positions at the General Service (Other level), to assist with document management and administrative backstopping. The Advisory Committee was informed upon enquiry that, of the 10 temporary positions approved for 2014 by the General Assembly in its resolution 68/247 A (of which it is proposed that nine be for the project management team for 2015 and one for the team of dedicated operational experts referred to in para. 36 below), seven had been filled and two were under recruitment and that the job opening for the remaining position had been re-advertised. Details concerning the resource requirements for the project management team, including the three additional positions proposed for 2015, provided to the Advisory Committee upon enquiry, are set out in table 1.

Table 1

Proposed resource requirements for the project management team for 2015

(Thousands of Swiss francs)

<i>Temporary positions</i>	<i>Requirements</i>
Existing positions (11 positions, ^a fully budgeted for 12 months)	2 378.5
New positions proposed for 2015 (3 positions, six months of delay in recruitment applied)	229.3
Total	2 607.8

^a Consisting of one P-4 Engineering Project Manager, one P-4 Architecture Project Manager and nine temporary positions approved for 2014.

35. **The Advisory Committee recommends the establishment of the three temporary positions (1 P-4 and 2 General Service (Other Level)) proposed by the Secretary-General for 2015 for the project management team.**

Dedicated operational experts

36. The Secretary-General proposes that a team of dedicated operational experts consisting of the existing Procurement Officer (P-4) approved for 2014 and six additional officers, who would work full time on the strategic heritage plan, be established. The Advisory Committee was informed that the six proposed positions are for 1 Conference Services Officer (P-4), 1 Security Officer (P-4), 1 Architect (P-3), 1 Mechanical engineer (P-3), 1 Electrical Engineer (P-3) and 1 Information Technology Officer (P-3). The Committee requested that justification be provided for the use of full-time operational experts in the initial phases of the plan. The Committee was informed that the operational experts would be required on a full-

time basis to ensure the continuous availability of staff who know the existing buildings and the accompanying technical installations and are familiar with the stakeholder organizations, including their operations and requirements.

37. The Advisory Committee was also informed that the involvement of dedicated operational experts was essential during the initial design phase for mitigating the risk of errors in design and improving the efficiency of the design process by ensuring that the design proposals fully meet the specific requirements of the internal stakeholders and that the design formulations are not subjected to revisions. It was further indicated that dedicated operational experts would be required to assess the future requirements related to the essential facilities of the buildings and to implement adequate maintenance and operations strategies to ensure a seamless commissioning and handover of the facilities upon completion of the strategic heritage plan. It was further indicated to the Committee that the full-time deployment of such experts from four specific areas (information and communications technology, safety and security, legal affairs and procurement) in implementing the capital master plan had proved effective in coordinating information with relevant departments and offices, and was an important lesson learned.

38. Concerning the staffing of the team of dedicated operational experts, the Advisory Committee was informed upon enquiry that it is envisaged that they will be drawn from existing staff currently engaged in their respective operational fields at the United Nations Office at Geneva. The Committee was further informed that it is standard practice in the Secretariat to propose the establishment of temporary positions funded from general temporary assistance in those departments or offices in which the functions are envisaged to be carried out. In respect of the strategic heritage plan, it was proposed that six temporary positions be used for the dedicated operational experts. The Committee was further informed that those temporary positions would be filled through a selection process from among staff with the required expertise already at the United Nations Office at Geneva and that the selected staff would maintain liens to their existing posts. It was further indicated that the releasing offices would temporarily fill the posts left vacant owing to the transfer of the selected staff.

39. The Advisory Committee was provided with a table detailing the resource requirements for the dedicated operational experts, including the proposed six additional positions for 2015 set out in table 2.

Table 2

Proposed resource requirements for dedicated operational experts for 2015

(Thousands of Swiss francs)

<i>Temporary positions</i>	<i>Requirements</i>
Existing position (1 position, fully budgeted for 12 months)	199.3
New positions proposed for 2015 (6 positions, six months of delay in recruitment applied)	531.6
Total	730.9

40. The Advisory Committee trusts that the workload envisaged for the six operational experts recruited against temporary positions justifies the use of full-time staff. The Committee nevertheless considers it important to keep the matter under review to ensure that the use of full-time staff remains justified.

41. The Advisory Committee recommends the establishment of the six temporary positions (2 P-4 and 4 P-3) for the operational experts and trusts that the recruitment process for filling these positions will follow the established regulations and rules (see also para. 48 below).

42. The Advisory Committee also trusts that the recruitment process for filling the posts left vacant as a consequence of the selection of operational experts will also follow the established regulations and rules.

Use of contracted external expertise

43. The General Assembly, in its resolution 68/247 A (see sect. V, para. 32), requested the Secretary-General to explore options of using contracted external expertise to ensure the most appropriate staffing levels to support the implementation of the project. In his report, the Secretary-General indicates that, in his earlier proposal, specialized services required to augment the capacity of a project management team were considered as staff functions. In the current proposal, however, it is indicated that for such services in the general fields of design, construction and programme and project management support and in the specific technical areas of space planning and programming, conference congress systems, energy savings and management and historical preservation it may be necessary to contract external expertise for short-to-medium terms. It was further indicated that the proposed provision of CHF 810,000 for 2015 relates to the contracted external expertise in the specific technical areas of space planning and programming (CHF 360,000), conference congress systems (CHF 150,000), energy savings and management (CHF 150,000) and historical preservation (CHF 150,000). The Committee was informed that it is envisaged that the proposed team of experts will ensure that the design proposals meet the current and future operational requirements of the Organization (see para. 48 below).

H. Dedicated consultancy services

44. In his earlier report, the Secretary-General indicated that the following consultancies would continue to be required in 2015: the lead design firm; the specialist design firm(s); the programme management firm; and the risk management firm (see [A/68/372](#), para. 117). Details on the dedicated consultancy services are provided in paragraphs 133 to 139 of the recent report of the Secretary-General ([A/69/417](#)). In that same report, the Secretary-General indicates that the independent risk management firm was engaged in November 2013 to conduct qualitative and quantitative risk assessments and to develop the overall project risk management strategy and risk register, as well as to develop the strategy to allocate and manage the contingency (*ibid.*, para. 118). In this context, the Secretary-General states that the independent risk management firm has developed the project risk management strategy and the project risk register (*ibid.*, para. 17) and that the risk management firm is expected to begin its contingency-related activity, which will continue throughout the duration of the project, in April 2015 (*ibid.*, para. 119). A

list of deliverables for the independent risk management firm is provided in paragraph 138 of the report of the Secretary-General (see also para. 48 below).

I. Resource requirements

45. The detailed proposals of the Secretary-General for resource requirements for the strategic heritage plan for 2015 and the related information concerning the approved and estimated expenditures for 2014 are provided in paragraphs 140 to 149 and tables 11 and 12 of his report. In its resolution 68/247 A, the General Assembly appropriated CHF 15,629,900 or \$16,878,900 for the strategic heritage plan for 2014 under section 33, Construction, alteration, improvement and major maintenance, for the continuation of two existing positions (2 P-4), the establishment in 2014 of 10 new positions (1 D-2, 2 D-1, 2 P-5, 3 P-4, 1 P-3 and 1 General Service (Other level)), contractual services related to design services, including contingencies and escalation, and travel.

46. For 2014, the Secretary-General indicates a higher level of estimated expenditures compared to the approved level for design and consultancy services and travel, and a lower-than-approved level of estimated expenditure for the project management team, resulting in an estimated unutilized amount of CHF 1,034,300, which is to be applied to the requirements for 2015.

47. Upon enquiry, the Advisory Committee was provided with the following reasons for the increased requirements projected for 2014 under specific items of expenditure when compared with their approved levels:

(a) Design and consultancy services: the projected expenditure for 2014 in the amount of CHF 13,553,700 exceeds the approved expenditure of CHF 12,800,000 by CHF 753,700. The increased requirements are attributable to the international tender process that led to the selection of the lead design and specialized design firms. It is proposed that the increased requirements will be met by utilizing the approved resources for contingencies under the strategic heritage plan;

(b) Travel: the projected expenditure for 2014 in the amount of CHF 45,000 exceeds the approved expenditure of CHF 28,500 by CHF 16,500 owing to travel requirements connected to the development of legal contract framework for the lead design and specialized design firms.

48. For 2015, estimated resource requirements in the amount of CHF 27,317,700 are proposed. In its resolution 68/247 A, the General Assembly authorized a commitment authority in the amount of CHF 1,215,300 for 2015. In his report, the Secretary-General indicates that that commitment authority will be superseded by the requirements for 2015 requested in that report (see [A/69/417](#), para. 142). Concerning the different items of expenditure related to the proposed resource requirements for 2015, the Advisory Committee was informed of the following:

(a) Other staff costs: the proposed resource requirements under other staff costs for 2015 in the amount of CHF 3,338,700 comprise the cost of temporary positions for the project management team (CHF 2,607,800) and the operational experts team (CHF 730,900). The proposed requirement for the project management team (other staff cost) in 2015 exceeds the approved requirement for 2014 by CHF 1,206,400. The Advisory Committee was informed upon enquiry that the net

increase in the proposed requirement for 2015 is due to: the projected resource requirement for three additional positions proposed by the Secretary-General for 2015; the approved resources for the project management team to cover 12 positions in 2014 being based on a recruitment time factor of six months for 10 new positions² approved by the General Assembly for 2014 and 12 months for the two existing positions; and, for 2015, the proposed requirement for 11 positions being based on an anticipated incumbency of 12 months;

(b) Contractual services: the proposed resource requirements under contractual services for 2015 in the amount of CHF 22,887,500 comprise the cost of design and consultancy services (CHF 22,077,500) and contracted external expertise (CHF 810,000). As indicated in paragraph 43 above, the proposed provision of CHF 810,000 for 2015 relates to the contracted external expertise in specific technical areas. The estimated requirement of CHF 22,077,500 for design and consultancy services comprises the requirements for the lead design firm (CHF 586,000), the specialized design firm (CHF 17,174,000), the programme management firm (CHF 1,612,500), the independent risk management firm (CHF 701,000) and the in-depth site assessments (CHF 2,004,000);

(c) Travel: The proposed resource requirements of CHF 91,500 for travel in 2015 reflect 18 anticipated round trips between Geneva and New York undertaken specifically for the design of the conference congress systems, broadcast, security and space planning; participation in intergovernmental meetings and briefings; the coordinated development of the report of the Secretary-General; and the development of the legal framework for the construction service contract. **The Advisory Committee is of the view that, taking into account the increased opportunities to use alternative means of communication, the proposed requirements for official travel for 2015 are not fully justified. The Committee therefore recommends a reduction of 5 per cent in the resources requested for official travel.**

49. Subject to its comments contained in paragraph 48 (c) above, the Advisory Committee has no objection to the resource requirements proposed for 2015.

J. Other considerations

Plan to reuse the existing furniture to reduce new furniture requirements

50. In response to the request of the General Assembly that the existing furniture be reused, the Secretary-General indicates a target re-use rate of up to 80 per cent of chairs and up to 50 per cent of other furniture, subject to further refinement depending on the design of new open spaces and an analysis comparing the benefits of purchasing new furniture against the cost of dismantling, storing and reinstalling existing furniture (see [A/69/417](#), para. 58).

Use of land of the United Nations Office at Geneva by the International Tennis Club

51. On a matter related to the international tennis club, the Advisory Committee was informed upon enquiry that the lease governing the use of land of the United

² One of which is proposed for the dedicated operational experts in 2015.

Nations Office at Geneva by the club was subject to periodic renewal. It was pointed out to the Committee that tennis courts, a clubhouse and a small restaurant had been built on the leased land and that the club was to continue making payments towards the loan taken for those developments. The Committee was further informed that discontinuing the lease could lead to compensation claims being made by the club. The Committee was informed that, for the above reasons, any decision regarding the renewal of the lease needed to be taken with caution. **The Advisory Committee trusts that by the time the lease comes up for renewal all efforts will have been made to preclude the risk of potential compensation claims in order not to limit future decisions of the General Assembly regarding the use of the land. The Committee looks forward to receiving more information on any legal obligations of the United Nations that may arise from the lease agreement with the tennis club.**

Implementation of Umoja and the global service delivery model

52. In paragraph 57 of his report, the Secretary-General indicates that a new global service delivery model for the Secretariat will emerge as the process of business re-engineering under Umoja moves forward. He also indicates that he will present a proposal on the future service delivery model for the United Nations to the General Assembly, for its consideration, at a later session and that possible implications for the strategic heritage plan will be considered in due course. The Advisory Committee was informed upon enquiry that proposals for a new global service delivery model will be submitted for consideration by the General Assembly at the main part of its seventieth session, in 2015. Furthermore, should the current occupancy rate of the Palais des Nations be reduced owing to Umoja or the global service delivery, in the long term, Geneva will still remain an important centre for the work of the United Nations. The interest expressed by offices from specialized agencies, funds and programmes currently located in rented facilities in Geneva in having their staff occupy offices at the Palais des Nations was also highlighted to the Committee. It was pointed out that the demand for renovated offices envisioned under the strategic heritage plan would continue to remain high and that, therefore, no negative impact on the current scope of the strategic heritage plan was foreseen.

53. **In this context, the Advisory Committee recalls that it has recommended that the Secretary-General be requested to submit his proposals relating to the global service delivery model for consideration by the General Assembly on different occasions. Those recommendations have been endorsed by the Assembly, including in its resolutions 67/246, 67/254 and 68/284. The Committee therefore reiterates its earlier observation that any new service delivery model for the United Nations must be approved by the Assembly and also reiterates its recommendation that the Assembly request the Secretary-General to submit a report containing proposals for the global service delivery model as soon as possible (see [A/68/7/Add.7](#), para. 59).**

54. **The Advisory Committee further expects that, consequent to the implementation of the global service delivery model and the possible reduction in space requirements for staff currently at the Palais des Nations, additional income anticipated to accrue from the renting of office space to specialized agencies, funds and programmes located in Geneva should be incorporated into the strategic heritage plan** (the use of future rental income is discussed further in paras. 77-78 below).

Associated costs

55. The Advisory Committee recalls that the General Assembly, in its resolution 68/247 A (sect. V, para. 22), requested the Secretary-General to ensure that the proposed requirements for associated costs are based on actual needs and to report thereon no later than at the main part of the seventieth session of the Assembly. Upon enquiry, the Committee was informed that the overall cost estimates for the project, including the estimates for associated activities, will be presented in the next progress report of the Secretary-General. In this context, the Committee further recalls that, in the same resolution, the Assembly requested the Secretary-General to ensure that all associated costs related to the strategic heritage plan are presented transparently in the project cost estimates throughout the project cycle and to ensure that all such costs are fully justified and necessary for the timely completion of the project. **The Advisory Committee trusts that the Secretary-General will align his actions with the requests made by the General Assembly in this regard and include the relevant information in his subsequent progress reports.**

III. Project financing**A. Formal offer of the loan package by the host country**

56. The Secretary-General presents the detailed terms and modalities of the formal offer of a loan package from the host country, including the related interest rates and duration of the loan package, terms of disbursement and the repayment plan (see [A/69/417](#), paras. 73-81).

57. The Advisory Committee recalls that, in the context of its consideration of the previous report of the Secretary-General on the strategic heritage plan, it was informed that the granting of a preferential long-term loan (or several such loans) to facilitate the financing of the strategic heritage plan had been discussed with the host country informally, on a bilateral basis, for some time and that the Secretary-General had raised this matter formally with the Swiss authorities in March 2013. The Committee further recalls that, on 26 June 2013, the Swiss Federal Council took a decision to offer support for renovation projects of international organizations in Geneva through long-term low-interest loan(s). The host country particularly underscored the importance and priority it attached to the urgent implementation of the strategic heritage plan. The duration of such loan(s) to be granted at favourable, below market rates was expected to be up to 30 years, up to an amount not to exceed 50 per cent of the project cost that will be approved by the General Assembly (see [A/68/585](#), para. 48).

58. The Advisory Committee recalls that, for new construction projects undertaken by international organizations, the host country provides interest-free loans up to 100 per cent of total requirements payable over 50 years. With regard to renovations, the host country had a different funding and lending mechanism. The Committee also recalls that, in conformity with the host country's funding and lending mechanism for new constructions on preferential terms, the Secretariat had indicated its intention to request from the host country full funding for the construction part of the project. In this respect, the host country had advised that the provision of a loan for construction would have to be determined during negotiations with the Secretariat (*ibid.*, para. 57).

59. Based on information presented by the Secretary-General, the Advisory Committee had recommended that the General Assembly authorize the Secretary-General to negotiate with the host country on loan arrangements and to report thereon to the Assembly at its sixty-ninth session. The Committee had also recommended that the Assembly request the Secretary-General to present the strategic heritage plan project in its separate components of renovation and new construction, in order to obtain separate loans at differential rates and the most preferential terms for the Organization (*ibid.*, para. 58).

60. Subsequently, as indicated in paragraph 5 above, the General Assembly, in section V of its resolution 68/247 A, authorized the Secretary-General to negotiate with the host country on loan arrangements for both the renovation and the construction portions of the strategic heritage plan, including the possibility of an interest-free loan, and to report to the Assembly thereon.

61. In his report, the Secretary-General indicates that negotiations with the host country on possible loan arrangements did take place, after which the host country decided to formally offer a loan package consisting of one construction loan, repayable over 50 years, at an interest rate of zero per cent (referred to as the first loan) and one renovation loan, repayable over 30 years, at a fixed interest rate based on the 30-year refinancing rate in Switzerland (referred to as the second loan). He also indicates that the two loans together can cover up to 50 per cent of the total project costs that will be approved by the General Assembly (see [A/69/417](#), paras. 76 and 78). A summary of the loan package provided in table 1 of the report of the Secretary-General is reproduced in table 3 below.

Table 3
Summary of loan package in Swiss francs

(Millions)

	<i>Estimated project cost</i>	<i>Loan amount</i>	<i>Interest rate (percentage)</i>	<i>Interest costs^a</i>	<i>Total cost, including interest</i>
	(a)	(b)	(c)	(d)	(e)=(a)+(d)
Loan 1 — New construction (repayable over 50 years)	117.6	117.6	—	—	117.6
Loan 2 — Renovation (repayable over 30 years)	719.4	262.4	1.5 ^b	65.4	784.8
Total	837.0	380.0		65.4	902.4

^a Sum of all interest payments over life of loan.

^b Based on 30-year refinancing rate in Switzerland, which is currently averaging about 1.5 per cent for 2014.

62. It is indicated in the report of the Secretary-General that the present ceiling applicable in the host country for loan amounts is CHF 380 million and that the loans would be subject to the approval of the Swiss Parliament. The Secretary-General also indicates that it is his understanding that, after the overall cost estimates have been presented to the General Assembly, he could, if deemed necessary, solicit a reconsideration by the Government of Switzerland of the ceiling for the formal offer of the loan package (*ibid.*, para. 76).

63. **The Advisory Committee reiterates its appreciation for the offer of support for the strategic heritage plan made in the past by the Government of Switzerland. The Committee further welcomes the formal offer of a loan package to the United Nations made by the Government on favourable terms, and considers this a valuable and noteworthy contribution towards implementing a major capital project of the Organization. The Committee trusts that the Secretary-General will continue to pursue the most preferential terms and modalities for the loan package.**

64. The Secretary-General indicates that the estimated project cost of the strategic heritage plan in the amount of CHF 837 million reflects the estimated costs from 2014 to 2023. According to the Secretary-General, the estimated project cost does not include any of the contributions received over the years prior to 2014, including a donation of CHF 50 million from the host country for the implementation of energy-saving measures in anticipation of the strategic heritage plan, nor does it take into account the works related to the contributions received prior to 2014, which were concluded at the end of 2013 (*ibid.*, para. 74). **The Advisory Committee reiterates that the Secretary-General must make every effort to ensure that any work undertaken during the bienniums 2012-2013 and 2014-2015 will not have to be redone as part of the strategic heritage plan (A/68/585, para. 27).**

Multi-year construction-in-progress account

65. As indicated in paragraph 5 above, the General Assembly, in its resolution 68/247 A (sect. V, para. 31), decided to revert to the establishment of the multi-year special account for the strategic heritage plan. Accordingly, the Secretary-General proposes a multi-year, construction-in-progress account to manage the project finances and outlay of the strategic heritage plan. The Advisory Committee recalls that a similar proposal was made in the previous report of the Secretary-General (A/68/372). **The Advisory Committee reiterates that it has no objection to the establishment of a multi-year special account for the strategic heritage plan (see A/68/585, para. 58).**

B. Alternative funding mechanisms

Voluntary contributions

66. The Secretary-General indicates that efforts continue to be made to seek voluntary contributions from Member States, the private sector and foundations in Geneva with the objective of raising funds for the renovation part of the project. Concerning the sponsorship of the renovation of specific rooms by Member States, the Secretary-General indicates that one commitment from the United Arab Emirates relating to the renovation of room XVII has been received, while more such commitments are awaited. He also indicates that the efforts made to seek voluntary contributions from the private sector have not yielded any firm pledges (see A/69/417, paras. 92-93).

Other potential alternative funding arrangements

67. The Secretary-General indicates that efforts continue to be made to explore the feasibility of using public-private partnership arrangements, including through the

identification of revenue-producing activities and opportunities to draw value from the existing grounds belonging to the United Nations Office at Geneva. Concerning the potential generation of revenue through public-private partnership arrangements, the Secretary-General proposes a two-phased approach: in the first phase, it is proposed that the relevant legal provisions and rules be identified for amendment; and, in the second phase, subject to the approval by the General Assembly of the first phase, a detailed commercial analysis of the results of the first phase will be carried out (*ibid.*, paras. 94-97).

68. The Secretary-General also proposes carrying out a study of alternatives to public-private partnership arrangements, including selling or leasing certain parcels of land owned by the United Nations. It is further indicated that the sale of construction rights, rezoning land or altering the perimeter of certain parcels are possibilities that could add additional value to the land portfolio of the United Nations and that consultations with the host country have been initiated to explore these ideas by studying relevant host-country regulations at the local, cantonal and federal levels. It is indicated that further details in this regard will be presented at the seventieth session of the General Assembly (*ibid.*, para. 98).

69. In this context, the Advisory Committee recalls that the General Assembly, in its resolution 68/247 A, requested the Secretary-General to further explore the possibilities of alternative funding mechanisms, inter alia, through a donation policy, with the aim of reducing the overall assessment on Member States. At the same time, the Committee also recalls that, in its resolution 64/243, the Assembly stressed that the United Nations is a non-profit organization. The Committee trusts that the Secretary-General will continue to explore the possibilities of alternative funding mechanisms, taking into consideration the Assembly resolutions referred to above, and provide further information in this regard in his next progress report.

C. Financing options

70. The Secretary-General indicates that all calculations in his report are based on the analysis of estimated project costs for the period 2014-2023 provided in his previous report (see [A/68/372](#), table 3) and that an updated analysis, along with the revised overall cost estimate for the strategic heritage plan, will be presented at the main part of the seventieth session of the General Assembly (see [A/69/417](#), paras. 72 and 99).

71. The Secretary-General proposes two options for financing the strategic heritage plan: in option A, the plan would be financed through assessments on Member States and, in option B, the plan would be financed through a combination of assessments on Member States and a loan package from the host country. The Secretary-General also proposes three possible alternatives under each option, namely:

(a) Assessments reflecting the estimated expenditures for the next fiscal period (biennial);

(b) Assessments based on the average cost of the project for each given fiscal period, or equal amounts to be assessed at regular intervals;

(c) Up-front assessments, implying a larger investment outlay at the start of the project.

72. Financing options A and B presented by the Secretary-General along with an illustration of the three alternative assessment profiles are provided in tables 6 to 9 and comparisons of the three alternatives under options A and B are shown in figures 3 and 4 of the report of the Secretary-General. The total estimated cost of the strategic heritage plan under option B, including interest payments, provided to the Advisory Committee upon enquiry is shown in table 4 below.

Table 4

Total estimated cost of the strategic heritage plan under option B (with loan package)

(Millions of Swiss francs)

	2014- 2015	2016- 2017	2018- 2019	2020- 2021	2022- 2023	2024- 2025	2026-2053 (over 14 bienniums)	Total with interest
Estimated construction expenditures	42.0	156.0	367.0	194.0	78.0			837.0
Financing costs (interest on renovation loan)						7.8	57.6	65.4
Total	42.0	156.0	367.0	194.0	78.0	7.8	57.6	902.4

73. The Advisory Committee was informed that, should the General Assembly approve the acceptance of the formal offer of the loan package made by the host country, several steps will be required to be taken both by the Government of the host country and the United Nations Office at Geneva before the finalization of the loan amount and the arrangements for its actual transfer to the United Nations. The Committee was also informed that a request for the loan package made by the United Nations early in 2016 may result in the availability of the loan package, subject to the approval of the Government of Switzerland, early in 2017. In addition, it was indicated to the Committee that it is the understanding of the Secretary-General that the Government is prepared to lock in the interest rates at the time the cost estimates for the strategic heritage plan are to be proposed for the consideration of the Assembly at its seventieth session. It was further indicated that detailed technical information on the strategic heritage plan needs to be made available to the Government by the last quarter of 2015.

Provision for rental and safety and security expenses under the programme budget

74. In paragraph 88 of his report, the Secretary-General indicates that the anticipated creation of 700 additional workspaces at the Palais des Nations upon completion of the project will lead to a reduction in the provision for the rental of Palais Wilson and the Motta building under the programme budget. The Advisory Committee was informed upon enquiry that it has been proposed that the offices of the Office of the United Nations High Commissioner for Human Rights, currently located in Palais Wilson and the Motta building, be moved to the Palais des Nations, upon the completion of its renovation, and that the anticipated consolidation of office spaces in the Palais des Nations will result in reduced provisions for the

rental and maintenance of those premises and the related safety and security services. The Committee was informed upon enquiry that the space consolidation expected to result from the proposed renovation could lead to an increase in the operating and maintenance costs of the Palais des Nations owing to higher occupancy. This could partially offset the reduction in rental provisions indicated above. The Committee was further informed that the precise amount of those reductions could not be ascertained given that other, related factors such as the actual space configuration and the energy requirements were not yet known.

75. The Advisory Committee recalls that the overall estimated costs and sources of funding for the rental and maintenance of Palais Wilson and the Motta building, as well as the provision for their safety- and security-related services in 2013, were provided to the Committee in the context of its consideration of the previous report of the Secretary-General on the strategic heritage plan. The table reflecting such information for the leased premises in 2013 contained in the previous report of the Advisory Committee ([A/68/585](#), table 2) is reproduced below.

Table 5
Costs and sources of funding for leased premises in 2013

(United States dollars)

	<i>Regular budget</i>		<i>Extrabudgetary</i>	<i>Total</i>
	<i>Section 29F</i>	<i>Section 34</i>	<i>Section 24</i>	
Rental and maintenance of premises				
Motta	2 797 546	—	2 480 842	5 278 388
Palais Wilson	1 327 843	—	1 305 956	2 633 799
Security				
Motta	—	592 423	525 356	1 117 779
Palais Wilson	—	438 484	388 845	827 329
Total	4 125 389	1 030 907	4 700 999	9 857 295

76. The Advisory Committee is of the view that the anticipated reductions in the requirements for both the rental and maintenance and the provision for safety- and security-related services of Palais Wilson and the Motta building should be factored into the strategic heritage plan.

Use of future rental income

77. The Advisory Committee recalls that the Secretary-General, subject to the approval of the General Assembly, had considered utilizing the credit from existing rental income to meet the resource requirements of the strategic heritage plan (see [A/68/585](#), para. 45). The Secretary-General indicates in his recent report that at present the United Nations Office at Geneva generates about \$1.2 million in income from the rental of premises every year, which is recognized as miscellaneous income and returned to Member States at the financial close of each biennium. Upon completion of the project, it is indicated that an additional rental income received from programmes funded from extrabudgetary sources is estimated at about \$2.2 million per year at the current rate, giving rise to a total income of

\$3.4 million per year (or \$6.8 million per biennium). According to the Secretary-General, the rental income received during the project lifetime could be used to directly offset the costs of the project; from 2024 onwards, on the completion of construction, the future rental income (\$6.8 million, equivalent to CHF 6.3 million, per biennium) could be applied to offset the continuing loan repayments (see [A/69/417](#), paras. 88-89). An overview of the long-term profile of loan repayments and, for comparative purposes, future rental income, presented in table 3 of the report of the Secretary-General is reproduced in table 6 below.

Table 6

Long-term profile of servicing loan package and rental income stream

(Millions of Swiss francs)

	2022-2023	2024-2025 (continuous for 14 bienniums)	2054-2055 (continuous for 8 bienniums)	2072-2073
Future rental income ^a	–	6.3	6.3	6.3
Repayment of new construction loan (50 years beginning 2022 through 2071)	(4.7)	(4.7)	(4.7)	–
Repayment of renovation loan (30 years beginning 2024 through 2053)	–	(21.8)	–	–
Net total (additional appropriation)/ miscellaneous income	(4.7)	(20.2)	1.6	6.3

^a Future rental income is estimated at \$3.4 million per year or \$6.8 million per biennium. This equates to CHF 6.3 million per biennium, as shown in the above table.

78. The Advisory Committee reiterates its view that the General Assembly may wish to explore the feasibility and ways of factoring future rental income into the financing of the strategic heritage plan project (see [A/68/585](#), para. 45). The Committee encourages the Secretary-General to include such information when proposing a comprehensive plan for the financing of the strategic heritage plan in his next progress report.

Currency

79. The Secretary-General states that the construction contracts and related expenditures for the strategic heritage plan will be denominated primarily in Swiss francs, which is standard practice for similar projects in the host country. Furthermore, he indicates that, should the General Assembly approve the acceptance of the loan offer made by the host country, the corresponding loan amount would also be in Swiss francs. Nevertheless, the Secretary-General states that, given the current practice of preparing budgets and assessing Member States in United States dollars, a currency risk factor needs be recognized (see [A/69/417](#), para. 102). **The Advisory Committee reiterates its view that the General Assembly may wish to consider establishing the budget and account for the strategic heritage plan in Swiss francs (see [A/68/585](#), para. 55).**

IV. Conclusion and recommendations

80. The actions requested of the General Assembly in connection with the strategic heritage plan of the United Nations Office at Geneva ([A/69/417](#) and Corr.1) are set out in paragraph 150 of that report. **The Advisory Committee, subject to its comments and recommendations in the present report, recommends that the General Assembly: (a) approve the establishment of nine new positions, effective 1 January 2015; (b) appropriate an additional amount of CHF 26,278,800 or \$28,378,800 at initial appropriation 2014-2015 rates, under section 33, Construction, alteration, improvement and major maintenance, of the programme budget for the biennium 2014-2015; and (c) approve the establishment of a multi-year special account for the strategic heritage plan and request the Secretary-General to make the necessary arrangements in that regard.**
