



# General Assembly

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## Seventy-fourth session

Item 137 of the provisional agenda\*

### Proposed programme budget for 2020

## **Progress in the renovation of Africa Hall and the construction of new office facilities at the Economic Commission for Africa in Addis Ababa**

### **Report of the Secretary-General**

#### *Summary*

The Secretary-General hereby submits his fourth progress report on the implementation of the construction projects and the renovation of the conference facilities, including Africa Hall and the visitors' centre, at the Economic Commission for Africa premises in Addis Ababa, pursuant to section VIII of General Assembly resolution [73/279 A](#).

The present report provides an update on the project since the issuance of the previous progress report of the Secretary-General ([A/73/355](#)), including design development, procurement activities, project governance, risk management, progress in construction, contingency management and the status of voluntary contributions. The report also provides an updated project schedule and a revised cost plan. While a delay has occurred during the solicitation of the construction services contract for the main renovation works, resulting in the slippage of the project schedule by 11 months, the outcome of the most recent quantitative risk analysis continues to show a relatively high confidence level for the project to be completed within budget. Through risk mitigation measures, the Secretary-General fully intends to deliver the project within the maximum overall budget of \$56.9 million approved by the General Assembly.

The proposed actions to be taken by the General Assembly are set out in section III of the report, which include taking note of the revised project cost plan and appropriating an amount of \$8,434,100 for 2020.

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\* [A/74/150](#).



## **I. Update on the construction of new office facilities (Zambezi Building) and ancillary works**

1. During the previous reporting period, as stated in the previous progress report of the Secretary-General ([A/73/355](#)), the Economic Commission for Africa (ECA) had achieved final project completion of the new office facilities, known as the Zambezi Building, as well as some of the additional components to the project referred to as ancillary works.
2. During the current reporting period, the last remaining components of the ancillary works project, namely, the car ramp and, site-specific electrical and sanitary works, were completed in full in September 2018.
3. After the acceptance of the rectified punch list items relating to the above-mentioned ancillary works components, ECA released the retention funds in the amount of \$83,886, with \$1,259 deducted to compensate for minor electrical works that were not completed as required. This was followed by the issuance of the final completion certificate in October 2018.
4. This draws the projects to a final close and completion. The present report therefore contains the final progress reporting on the above-mentioned construction activities. Future progress reports of the Secretary-General will pertain to the implementation of the renovation of the Africa Hall at ECA.

## **II. Progress in the Africa Hall renovation project**

### **A. Background**

5. In its resolution [70/248 A](#), the General Assembly approved the scope, schedule and maximum overall cost in the amount of \$56.9 million for stages 3 to 5 of the Africa Hall renovation project, as well as the establishment of a multi-year construction-in-progress account. In its subsequent resolutions [71/272 A](#), [72/262 A](#) and [73/279 A](#), the Assembly noted the progress made during the relevant reporting periods and appropriated a total amount of \$28,107,600 for project activities from 2016 to 2019. The present progress report is the fourth one since the approval of the project by the Assembly in 2015.

### **B. Project objectives**

6. The project continues to be implemented in accordance with the previously reported objectives, which remain unchanged.
7. The project is intended to rejuvenate the Africa Hall in a manner that respects the original design and appearance of spaces and addresses deficiencies, compared with contemporary international building standards and codes, including: (a) structural and seismic upgrades; (b) the physical, life and fire safety of occupants; (c) accessibility and other provisions for persons with disabilities; (d) energy efficiency and other initiatives relating to the efficient use of natural resources; and (e) the achievement of healthy indoor air and light quality.
8. The project was scheduled for completion by the end of 2021. Delayed procurement actions relating to the solicitation of the main renovation works contract, described further below, have, however, given rise to a revised scheduled completion date of December 2022.

9. The maximum approved project budget of \$56.9 million, which includes provisions for cost escalation and contingencies, is considered sufficient to deliver the project.

10. The renovation of the Africa Hall continues to be developed and carried out in line with current international building codes and standards and is intended to achieve the highest standards for conference facilities, while preserving and restoring the historical and cultural architectural integrity of the building. All proposed or actual variations, modifications and/or changes made during the present reporting period have been assessed, with a view to maintaining the overall project objectives, including cost and quality objectives.

## C. Project governance

### Stakeholders committee

11. During the reporting period, the stakeholders committee, which was established in 2016, met three times: in November 2018 and in February and June 2019.

12. The meetings of the stakeholders committee are intended to keep the project owner and key organizational stakeholders updated and informed about current project progress and risk exposure and to support their high-level decision-making. The committee remains a vital governance element, given that it brings together the key beneficiaries and future users of the project outcomes to discuss and agree on the additional development and implementation strategies for the project, including potential changes to any established baselines within the remit of the Secretariat.

13. During the most recent meeting of the stakeholders committee, the participants were briefed on the underlying reasons that had caused the current 11-month delay and of action that the project could take to mitigate some of the delay. The stakeholders were also reminded to consider the approved project scope and objectives and to keep owner-directed changes to the absolute minimum.

### Advisory Board

14. The Advisory Board, which was constituted in July 2017, met in February 2019 and is expected to hold its next meeting in September 2019. Board members continue to perform active roles and have provided the project owner with valuable views and recommendations regarding how to protect the project and its implementation. During the meetings, the Board was briefed on the project status, including both potential and actual changes to project baselines.

15. To date, the Advisory Board has provided input and advice regarding project design development, developing strategies to obtain voluntary contributions and enhancing and strengthening coordination with host country authorities, including towards the donation of an additional parcel of land for a potential parking area for future visitors to ECA.

### Coordination with Headquarters

16. The role of the Global Asset Management Policy Service (formerly the Global Property Management Service of the Office of Central Support Services), as defined in [A/73/355](#), remains unchanged.

17. The administrative and coordination agreement established in 2017 continues to provide the framework for various project management functions on items such as issue and change management and status reporting. It also defines the roles and responsibilities of project team members through all stages of project execution.

18. Coordination meetings with the ECA project team were held on a bimonthly basis, during which the Global Asset Management Policy Service provided technical guidance and advice, shared the lessons learned from other capital projects and ensured that applicable global property-related policies were adhered to in the activities undertaken by the team. A team from the Service visited the ECA project team in Addis Ababa in November 2018, and the Service continues to be involved in the established review and approval process for requested changes to the project's existing baselines. The Service also provides independent risk management services for the project owner as part of mandated oversight responsibilities, including ensuring that the project risk register is kept updated and is managed by the project team.

19. Since October 2017, support is provided by an international professional firm with experience in construction-related risk management services for project owners and contractors. Regular meetings on risk management were held with the ECA renovation project team and key stakeholders prior to the issuance of the biannual independent risk management service progress reports. The purpose of these meetings is to generate the data from the project's risk register that are needed to assess the impact that these risks could have on the overall project schedule and cost plan and on the related cost and schedule contingencies, as described below in the section on risk management.

#### **D. Project management**

20. The dedicated project management team is led by a Project Manager (P-5) who reports to the project executive, namely, the Director of Administration of ECA. The project team comprises an Architect/Engineer (P-4), a Procurement Officer (P-3), an Architectural/Civil/Structural Engineer (National Professional Officer), a Mechanical/Electrical Engineer (National Professional Officer), a Clerk of Works (National Professional Officer), a Finance and Budget Assistant (Local level) and a Logistics and Shipping Assistant (Local level), all approved by the General Assembly in its resolution [70/248 A](#).

21. The position of a dedicated Project Coordinator (P-4), embedded in the Global Asset Management Policy Service at Headquarters, and cost-shared with the seismic mitigation and life cycle replacement project at the Economic and Social Commission for Asia and the Pacific (ESCAP), continues to provide support and oversight services for the project, including risk management coordination services.

22. Six dedicated security officers provided security services for the construction site established by the early works contractor on the ECA compound.

23. ECA has continued to engage consultants to provide expert knowledge and professional services not available within the renovation project team, as follows:

(a) Exhibition curation: Two experts have been hired to support the establishment of the permanent exhibition and determine the items to be exhibited. One expert provided operational elements, such as the refined business case and the design criteria for the visitors' centre, while the other will oversee the implementation of the curatorial works;

(b) Artwork restoration: An expert was hired in February 2018 to advise on and support the renovation project team during the solicitation for the artwork restoration and to support the lead consultant in overseeing future restoration works;

(c) Information technology, audiovisual and conference engineering services: As stated in [A/73/355](#), a working group comprising ECA user representatives and other organizational stakeholders was formed to support the lead consultant in the

development of the design and solicitation documentation for the conference and information technology systems and networks. Upon completion of the installation of these systems and network, this approach should also ease the handover of the products to the ECA users and eliminate or minimize obstacles when commissioning and accepting the works.

24. ECA intends to engage additional consultants to provide expert knowledge and professional services not available within the renovation project team, as follows:

(a) Communication services: In December 2018, ECA issued the documentation for soliciting the services, and the evaluation of the bidding documents received is ongoing;

(b) Resource mobilization expert: ECA intends to hire a consultant to provide expertise and support in developing a detailed resource mobilization plan to better attract voluntary contributions for the project.

## **E. Project accountability**

25. In line with General Assembly resolutions [69/262](#), [70/248 A](#), [71/272 A](#), [72/262 A](#) and [73/279 A](#), the Office of Internal Oversight Services (OIOS) conducted its fourth annual audit of the renovation project between February and March 2019. The most recent audit report<sup>1</sup> contained four important recommendations, all of which were accepted by ECA and are under implementation. OIOS recommended that ECA should:

(a) Improve activities regarding the project schedule and the associated schedule risks;

(b) Keep owner-directed changes to a minimum;

(c) Include an assessment of change requests in quarterly meetings with the independent risk management firm;

(d) Place an emphasis on enhancing procurement for the project.

26. The importance of coordinated stakeholder involvement was also highlighted in the audit. ECA values the regular OIOS audits, which provide an opportunity for the project owner, the project executive and the renovation project team members to reflect upon and improve the processes and procedures tailored to the project implementation, in line with applicable guidelines, regulations and rules of the Organization.

## **F. Risk management**

### **Independent risk management**

27. Following the first risk management workshop, held in February 2018, the risk management strategy and risk register for the renovation project were established, and the first quantitative project risk assessment (Monte Carlo simulation) was performed. Since then, the independent risk management firm has conducted quarterly risk meetings to review the project risk register and provide guidance on the management of project risks. The independent risk management firm has produced three biannual independent risk management service progress reports, in June 2018

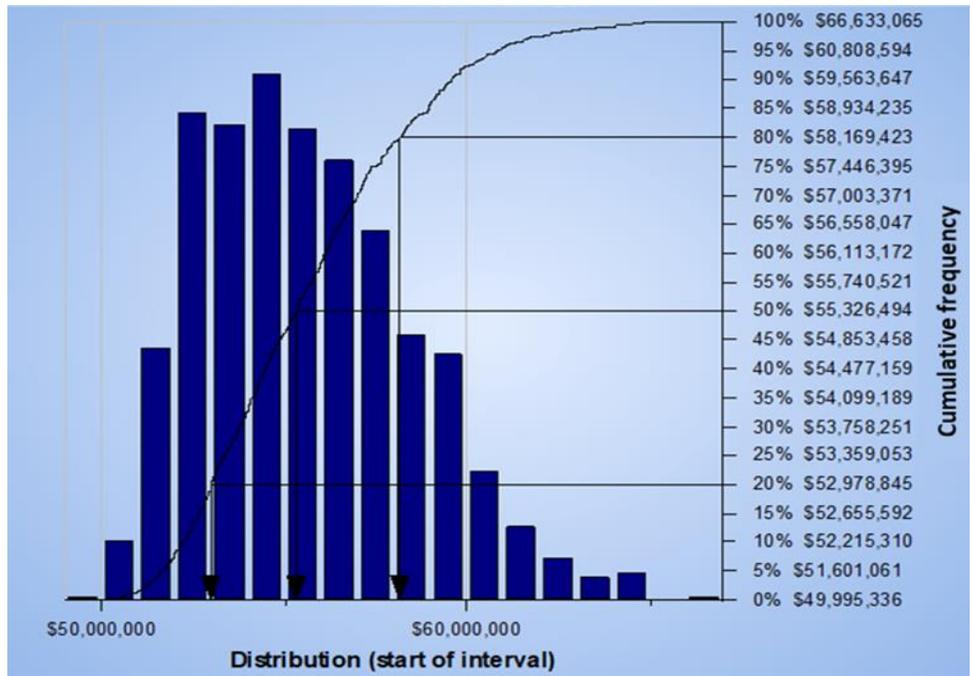
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<sup>1</sup> Reference 2019/054 (June 2019). Available at <https://oios.un.org/resources/> under “Internal audit reports”.

and January and August 2019, to continuously support the decision-making of the project owner.

28. In May 2019, the independent risk management firm facilitated the second Monte Carlo simulation for the renovation project, which was based on an updated assessment of both the existing and newly identified risks. The outcome of the second simulation is shown in figure I.

Figure I  
**Cost histogram for analysed risks as of May 2019**



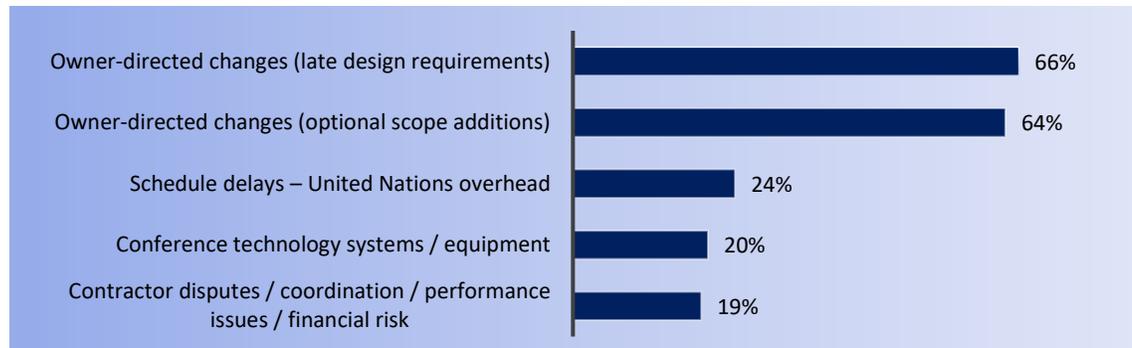
29. The first Monte Carlo simulation, in 2018, revealed a 75 per cent confidence level for the renovation project to be completed within its approved maximum approved overall cost. As indicated in figure I, the second simulation shows a likelihood of delivering the project within the maximum approved overall cost of \$56.90 million at 69 per cent, a slight decrease compared with the previous confidence level of 75 per cent.

30. Although the current confidence level remains lower than the P80 confidence level targeted for United Nations capital construction projects, the confidence level to deliver the project within the maximum overall approved budget remains very high and demonstrates that the project risks identified in the updated risk register are monitored and that mitigating measures are being applied appropriately. The slight decrease in confidence to deliver the project within budget is related to the projected delay of 11 months in project completion. It can be expected that the confidence level will increase again once the implementation of the main works package has commenced and a better understanding is gained regarding the capability of the contractor to deliver the works.

31. The Monte Carlo simulation of 2019 also resulted in the updated cost sensitivity analysis depicted in figure II, which shows the top five (most to least) risks of greatest impact when comparing the relative importance that each one has on the overall project costs. For the Africa Hall renovation project, owner-directed changes have the highest level of correlation to the overall project costs, a matter that decision-makers

and senior stakeholders must consider when evaluating potential changes to established project baselines in order to minimize such changes.

Figure II  
Cost sensitivity analysis as of May 2019



### Description of the top five project risks

32. The top five risks identified in the cost sensitivity analysis shown in figure II are explained in more detail, as follows, with a description of the risk response:

(a) **Owner-directed changes (late design requirements and optional scope additions).** Further to [A/73/355](#), this risk relates to owner requirements that may not have been captured in the baseline design and construction documents and/or new requirements that could potentially result in additional costs if scope adjustments become necessary during the project implementation. To mitigate this risk, the renovation project has involved key organizational stakeholders closely from the outset of the project and will maintain this engagement until project completion to ensure that the expected benefits are protected and will be delivered upon acceptance of the final project deliverables;

(b) **Schedule delays.** Further to [A/73/355](#), this risk relates to schedule delays that would create additional costs for an extended provision of dedicated project management services. Schedule delays could be caused by the consultants/contractors or the United Nations, especially given that the processes and procedures relating to the solicitation of goods and services or obtaining approvals for potential changes to baselines are demanding. Chiefly, the solicitation efforts for the main renovation works delayed the project implementation by 11 months. To mitigate this overall risk, the renovation project team has involved organizational and external project stakeholders, such as consultants and contractors, from the outset of the project and reviews the updated risk register during regular progress and site meetings to ensure that all stakeholders and project participants understand the risks and the impact on the project schedule and project cost. The renovation project team will encourage all project participants to constantly seek value engineering options that could shorten the project implementation time frame. The claim management and the issue and change management procedures should be in place to ensure that consultant/contractor claims and/or change requests can be processed rapidly and appropriately;

(c) **Conference and information technology systems.** This newly identified risk relates to costs that could arise from the addition to the solicitation documentation of “lots” in relation to the conference and information technology systems and networks items, which were not identified in the scope of the original design brief. Such items would make the renovated Africa Hall a benchmark for the further development of the campus-wide information technology infrastructure. This risk, if

it occurs, could be considered an owner-directed change as defined above, and, accordingly, the mitigating measures described for the owner-directed changes above apply. This risk is identified separately because it was specifically known and assessed when the Monte Carlo simulation was performed. The ECA renovation project team is working closely with the ECA Information and Communications Technology Service to ensure that final systems installations will meet and be in line with the requirements of the Organization;

(d) **Contractor disputes/performance issues.** This risk relates to cost that might rise from unresolved disputes with consultants/contractors during the project delivery, which could lead to low motivation, slow or no progress and/or an unacceptable quality of deliverables. To mitigate the risk, the renovation project team should address any contractor claims and change requests in a timely manner. The project team should also keep the renovation project manual updated and maintained and ensure that the project-specific processes and procedures that it identifies are understood clearly and well and adhered to by the project participants during the entire project execution. Updates may be made to the processes and procedures to potentially reflect the needs of the consultants/contractors, if such updates do not undermine the needs of ECA.

#### **Integrated risk management**

33. The project team, supported by the independent risk management firm, performed integrated risk management activities at the local project level. This included updating and maintaining the risk register, which remains a live repository of all current and past risks, with each risk assigned to a staff member responsible for monitoring and controlling it and taking corrective action when needed, in line with the defined mitigation plan. The ECA renovation project team also regularly engages the specialized consultants and contractors in their regular risk management activities. As part of the regular monitoring activities, such as regular site meetings, the risk situation is carefully analysed and addressed.

### **G. Progress made during the reporting period**

#### **Cooperation with Member States and the host country Government**

34. An agreement between the United Nations and the Government of Ethiopia was put in place that has enabled a smooth and rapid importation of goods and materials needed for the project. The cooperation with local authorities in support of the project is effective and appreciated, including the issuance of work visas for expatriates, allowing consultants and contractor to be on site to provide professional services during the project implementation.

35. Following discussions with representatives of the City of Addis Ababa and the Government of Ethiopia, ECA has entered into negotiations regarding two lease agreements for the parcels of land needed for visitors' parking, which would allow for the development of that land as planned.

#### **Voluntary contributions**

36. ECA has established a trust fund to record past and future contributions to the renovation project. The voluntary contribution of \$52,192 received from the Government of Mali (A/71/370, para. 50) will be used to restore a piece of artwork that falls within the original approved scope of the project. Accordingly, Member State assessments in 2020 and 2021 will be reduced by a total of \$52,192 to account for the utilization of this voluntary contribution.

37. Further to the information provided in the previous progress report ([A/73/355](#), para. 38), the Government of Switzerland was provided with a detailed proposal by ECA that foresees voluntary contribution used to support the start-up and operation of the visitors' centre. The Government is currently reviewing this proposal.

38. In March 2019, ECA showcased and promoted the project at the Conference of African Ministers of Finance, Planning and Economic Development held in Marrakesh, Morocco, to raise awareness of and potential voluntary contributions for the project. ECA will continue to seek voluntary contributions for the project through such campaigns at large events and conferences, including future summits of the African Union. It also intends to seek voluntary contributions during a ground-breaking ceremony for the main works construction package.

39. Any future voluntary contributions received that would provide funding for portions of the original scope of the project will be reported to the General Assembly, with a corresponding reduction in Member State assessments reflected in the cost plan, in future progress reports.

40. Pursuant to the request of the General Assembly to develop a sustainable resource mobilization strategy (resolution [73/279 A](#), sect. VIII, paras. 4–5), the Partnerships and Resource Mobilization Section of ECA is finalizing a dedicated action plan to potentially mobilize resources from Member States and the private sector, in accordance with applicable United Nations regulations and rules and in line with ECA strategies.

41. In addition, ECA has made further progress in negotiating with host country authorities for the provision of in-kind contributions envisaged as part of the land parcel needed for use as visitors' parking.

#### **Procurement activities**

42. As noted in [A/73/355](#) and reflected in the renovation project cost plan, the project implementation strategy entails breaking down the overall construction works programme into the following packages: (a) early decanting works; (b) main renovation works; (c) conference and information technology systems; (d) artwork restoration; and (e) the permanent exhibition.

43. The implementation of the early decanting works package is ongoing and is scheduled to be completed by the end of September 2019. Some design and schedule baselines were changed in line with the established change management procedures, as is common for such renovation projects, and the project delivered accordingly.

44. The contract for the main renovation works, which constitutes the largest work package of the Africa Hall renovation project, became effective on 10 May 2019 and is scheduled to be completed within 30 months, by December 2021, at a cost of \$28,209,500. The selected contractor is in the process of activating the resources needed during the contract execution and their transfer to the construction site. As anticipated in 2018 and mentioned in the previous progress report ([A/73/355](#), para. 46), soliciting the services for the main renovation works took much longer than initially planned and has led to a schedule delay of 11 months.

45. The solicitation of the conference and information technology systems and networks is ongoing and expected to be finished by the end of 2019. In 2020, the selected contractor will be expected to begin to install the related systems and network components in parallel with the implementation of the main renovation works.

46. The solicitation of the artwork restoration package, which comprises four lots (lot A: stained glass, lot B: canvas and linen and lots C and D: other minor artwork and art pieces), is expected to be completed during the first quarter in 2020.

47. The design development to be included in the solicitation documentation for the permanent exhibition package is ongoing and expected to be completed by the end of 2019. The final solicitation documents will be issued during the first quarter in 2020.

#### **Local knowledge and lessons learned**

48. The renovation project continues to be implemented in consideration of the lessons learned from other United Nations capital construction projects and the best practices reflected in the United Nations Guidelines for the Management of Construction Projects. In addition, the lessons learned and best practices identified during the project execution will be included in updated versions of the Guidelines for the benefit of future capital projects.

49. As previously reported, the renovation project has been identified by the Secretariat as having set a best practice benchmark by considering accessibility aspects throughout the design development, which could also be applied by future United Nations construction projects, including those at the ECA compound.

50. Given that the early works package is expected to be substantially completed by the end of September 2019, the project team intends to develop processes and procedures that could form a benchmark for the commissioning and the handover of final products to the organizational end users.

#### **Planning and design activities**

51. During the reporting period, the design for the conference and information technology systems and networks was collaboratively developed by the lead consultant firm and the working group referred to in paragraph 23 (c) above. The design that was developed comprises audiovisual and conference engineering systems with an independent local area network dedicated for audio-video broadcasting, a high-density wireless network for conference participants and the overall architecture for the information and communications technology (ICT) network. The ECA Information and Communications Technology Service, which had a stake in the design development as a member of the working group, envisages that the Africa Hall will become a benchmark for the future upgrade of the United Nations Conference Centre in Addis Ababa by installing new and more advanced technologies that will enable the full integration with the operational ICT infrastructure on the ECA compound and the videoconferencing platform of the Secretariat. The design became part of the solicitation documentation.

52. As stated in the previous progress report ([A/73/355](#), para. 53), ECA engaged with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the African Union, as well as academia and other authorities involved in the heritage conservation sector, in order for them to evaluate the solutions proposed in the design developed for the renovation of the Africa Hall. Their positive feedback confirmed that the design had appropriately addressed the historic preservation objective of the project.

53. The design development for the permanent exhibition area of the Africa Hall is at an advanced stage and expected to be completed by the end of 2019. A working group was established that supported the lead consultant firm in developing the space in consideration of core exhibition themes and elements. For example, ECA involved the African World Heritage Fund, an official partner of UNESCO at the continental level, to develop a concept for showcasing the more than 100 African heritage sites formally recognised by UNESCO through an interactive exhibition wall.

54. To address the request of the General Assembly, in section XII, paragraph 4, of its resolution [72/262 A](#), to include local knowledge, material, technology and

capacity, ECA has continued to engage with academic institutions and individuals in Addis Ababa to allow them to provide input on the background and historical documents relating to pan-Africanism.

55. The design for the artwork restoration package was completed during the reporting period and included in the solicitation documentation.

#### **Status of construction efforts**

56. As noted above, the implementation of the early decanting works package has been ongoing since January 2018 and is expected to be completed by the end of September 2019. Once the early decanting works package is handed over to ECA, the tenants currently occupying the retail spaces in the rotunda of the Africa Hall will relocate to occupy the new retail spaces established under the early decanting works package in the Congo and Nile Buildings, which is also expected to take place by the end of September 2019.

57. The construction contract for the main renovation works has been in effect since 10 May 2019 and, following a mobilization period, is scheduled to be implemented within 30 months, from the commencement on 7 June 2019, by 5 December 2021. The contractor is mobilizing resources and obtaining contractually defined documents that, once received by ECA, will enable the handover of defined sections of the worksite for the implementation of the actual renovation works.

58. The lead consultant firm nominated to assist the dedicated project management team by providing construction management and construction supervision services has already established a permanent presence since the delivery of the early decanting works and is ready for the execution of the main renovation works.

## **H. Other matters**

#### **Accessibility**

59. During the reporting period, the renovation project team continued to liaise and coordinate with the ECA accessibility task force on accessibility issues. It has actively participated in regular meetings since February 2017 to ensure that equitable access design is considered appropriately for both the Africa Hall renovation project and future upgrades throughout the ECA compound.

#### **Sustainability**

60. To address the request of the General Assembly contained in section VIII, paragraph 17, of its resolution [73/279 A](#), ECA will begin to measure and record energy consumption in the spaces created with the early works package once they are handed over to ECA for operational use. This will create a baseline to be used as a benchmark for monitoring user habits and identifying potential efficiency gains. The baseline will be established six months after the handover of the early works package, and information thereon will be included in the next progress report.

#### **Visitors' centre**

61. ECA is in the process of further refining the business case of the visitors' centre and incorporating different admission options for various visitor groups, pursuant to the request of the General Assembly in its resolution [73/279 A](#) (sect. VIII, para. 10). The development of the business case of the visitors' centre is part of the scope of the design development for the permanent exhibition package, which is ongoing and expected to be completed by the end of 2019. The business case also requires input and review from ECA stakeholders. For this purpose, the draft business case was

shared with the stakeholders committee. The business case is expected to be finalized and presented in the next annual progress report to the General Assembly at the main part of its seventy-fifth session.

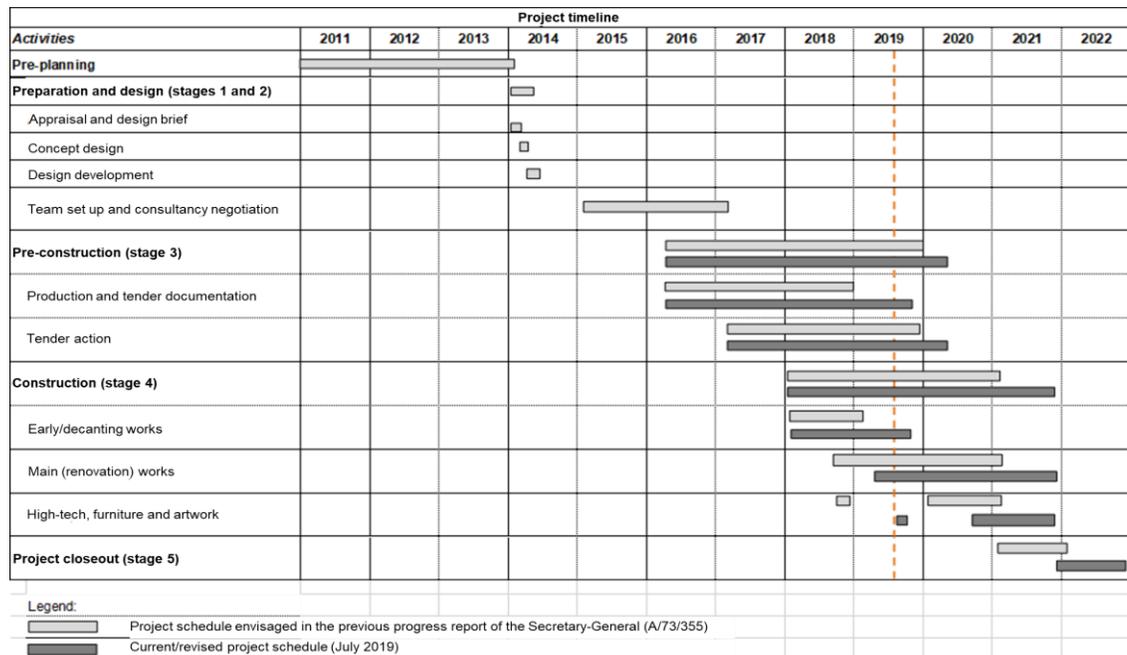
### I. Project schedule

62. Because of delays that had accrued during the solicitation of the services for the main renovation works that were on the critical path, the project is scheduled to be delivered 11 months later than initially planned. To potentially recover some of the delays, the project team, together with the lead consultant and the main renovation works contractor, are constantly assessing measures that could gain back time, such as increasing the contractor’s staff and/or extending working hours to accelerate progress in construction. Alternative construction methods and/or the potential use of any modern technologies may also help to recover some time losses. It is, however, unrealistic to expect that all the time lost could be fully recovered.

63. The project team continues to perform integrated risk management vis-à-vis schedule risks, including by updating schedule information that considers any schedule impact from the ongoing construction works and/or the solicitation of the remaining work packages. The team will also continue to keep the independent risk management firm informed of the overall project development and provide the input needed to conduct a risk-based impact analysis of the project schedule and will plan appropriate mitigating measures in advance. Each risk identified in the risk register is assigned to an individual risk owner, who must monitor the triggering factors relating to this risk and put in place the mitigating measures that were developed and agreed to during the regular risk workshops.

64. Figure III shows the actual project progress as of July 2019 and the updated schedule until project completion.

Figure III  
Project schedule for the renovation of Africa Hall as of July 2019



## J. Project expenditure and anticipated costs

### Status of expenditure and projected expenditure up to the end of 2019

65. In its resolutions [71/272 A](#), [72/262 A](#) and [73/279 A](#), the General Assembly appropriated \$28,107,600 for this project for the period 2016–2019, comprising: (a) \$3,123,200 under section 18, Economic and social development in Africa; (b) \$24,767,600 under section 33, Construction, alteration, improvement and major maintenance; and (c) \$216,800 under section 34, Safety and security, of the programme budgets for the bienniums 2016–2017 and 2018–2019.

66. The cumulative expenditure as at 30 June 2019 was \$8,323,800 and the projected expenditure for the remainder of 2019 amounted to \$8,846,100, as detailed in table 1. The relatively high amount of expenditure expected to occur in the second half of 2019 is due to the execution of two construction packages: (a) the decanting works package, which is expected to be substantially completed by the end of September 2019; and (b) the main renovation works, which is the largest work package of the Africa Hall renovation project, for which a contract was signed on 10 May 2019 and for which construction will soon commence.

Table 1

### Status of expenditure as at 30 June 2019 and projection for the remainder of 2019

(Thousands of United States dollars)

	<i>Appropriated project funding for the period 2016–2019</i>	<i>Cumulative expenditure from as at 30 June 2019</i>	<i>Projected expenditure from 1 July to 31 December 2019</i>	<i>Total projected expenditure for 2016–2019</i>	<i>Projected unused balance at the end of 2019</i>
	(a)	(b)	(c)	(d) = (b) + (c)	(e) = (a) – (d)
<b>Section 33, Construction, alteration, improvement and major maintenance</b>					
1. Construction costs	15 571.8	1 480.5	6 413.2	7 893.7	7 678.1
2. Professional services	5 169.7	4 055.9	704.5	4 760.4	409.3
3. Escalation	322.2	–	322.2	322.2	–
4. Contingency	3 703.9	–	938.4	938.4	2 765.5
<b>Subtotal, section 33</b>	<b>24 767.6</b>	<b>5 536.4</b>	<b>8 378.3</b>	<b>13 914.7</b>	<b>10 852.9</b>
<b>Section 18, Economic and social development in Africa</b>					
5. Project management	3 123.2	2 597.1	431.3	3 028.4	94.8
<b>Subtotal, section 18</b>	<b>3 123.2</b>	<b>2 597.1</b>	<b>431.3</b>	<b>3 028.4</b>	<b>94.8</b>
<b>Section 34, Safety and security</b>					
6. Security requirements	216.8	190.3	36.5	226.8	(10.0)
<b>Subtotal, section 34</b>	<b>216.8</b>	<b>190.3</b>	<b>36.5</b>	<b>226.8</b>	<b>(10.0)</b>
<b>Total</b>	<b>28 107.6</b>	<b>8 323.8</b>	<b>8 846.1</b>	<b>17 169.9</b>	<b>10 937.7</b>

67. As shown in table 1, a balance of \$10,937,700 is projected to remain unused at the end of 2019, owing to the delay in procurement and the resulting delayed start of construction package activities, as explained in paragraph 62 above, which has led to a slippage of 11 months in the overall project schedule.

### Resource requirements for 2020

68. The resource requirements for 2020 are shown in table 2. The total projected expenditure for 2020 amounts to \$19,380,800, comprising:

(a) \$846,800 under section 18, Economic and social development in Africa, which will provide for:

(i) The continuation of the dedicated management team and 50 per cent of the Project Coordinator (P-4) position based at Headquarters (cost-shared with the seismic mitigation retrofit and life cycle replacements project at the ESCAP premises in Bangkok);

(ii) Individual consultants providing expert knowledge to support the dedicated project team upon demand;

(iii) Travel of the project management team;

(b) \$18,439,000 under section 33, Construction, alteration, improvement and major maintenance, which will provide for:

(i) Construction costs (\$13,755,500) for the rectification of potential defect of the early decanting works and the implementation of the main renovation works, the conference and information technology systems and networks installation works, the artwork restoration works and for works to establish the permanent exhibition;

(ii) Professional services (\$971,200), including services of the lead consultant to finalize the design and support the dedicated project team in construction management and construction supervision, and the professional risk management firm and other services, such as third-party consultants to provide independent opinions on the design development or other subjects for which an outside assessment provides value;

(iii) An escalation provision (\$623,700) to cover construction-specific inflation impacts;

(iv) A contingency provision (\$3,088,600) to cover inherent risks in case they materialize;

(c) \$95,000 under section 34, Safety and security, for the continuation of the dedicated security services provided by the six security officers.

Table 2  
**Resource requirements for 2020**

(Thousands of United States dollars)

	<i>Projected expenditure in 2020</i>	<i>Projected unused balance at the end of 2019</i>	<i>Net funding requirement for 2020</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c) = (a) - (b)</i>
<b>Section 33, Construction, alteration, improvement and major maintenance</b>			
1. Construction costs	13 755.5	7 678.1	6 077.4
2. Professional services	971.2	409.3	561.9
3. Escalation	623.7	-	623.7
4. Contingency	3 088.6	2 765.5	323.1
<b>Subtotal, section 33</b>	<b>18 439.0</b>	<b>10 852.9</b>	<b>7 586.1</b>
<b>Section 18, Economic and social development in Africa</b>			
5. Project management	846.8	94.8	752.0
<b>Subtotal section 18</b>	<b>846.8</b>	<b>94.8</b>	<b>752.0</b>

	<i>Projected expenditure in 2020</i>	<i>Projected unused balance at the end of 2019</i>	<i>Net funding requirement for 2020</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c) = (a) - (b)</i>
<b>Section 34, Safety and security</b>			
6. Security requirements	95.0	(10.0)	105.0
<b>Subtotal, section 34</b>	<b>95.0</b>	<b>(10.0)</b>	<b>105.0</b>
<b>Total</b>	<b>19 380.8</b>	<b>10 937.7</b>	<b>8 443.1</b>
Funded by voluntary contributions <sup>a</sup>	9.0	–	9.0
Funded by appropriations	19 371.8	10 937.7	8 434.1

<sup>a</sup> Reflects the portion of artwork restoration work (part of the construction costs) to be funded from the voluntary contribution received from the Government of Mali.

69. Of the projected expenditure of \$19,380,800 for 2020, \$9,000 relating to artwork restoration will be funded from the voluntary contribution received from the Government of Mali, while the remaining \$19,371,800 will be funded from appropriations. Given that the project funding is recorded under a multi-year construction-in-progress account, approved by the General Assembly in its resolution [70/248 A](#) (sect. IX, para. 27), the anticipated unused balance of \$10,937,700 at the end of 2019 will be carried forward and offset part of the funding requirement of \$19,371,800 in 2020. Consequently, the net resource requirement to be appropriated for 2020 would amount to \$8,434,100, comprising: (a) \$752,000 under section 18, Economic and social development in Africa; (b) \$7,577,100 under section 33, Construction, alteration, improvement and major maintenance; and (c) \$105,000 under section 34, Safety and security, of the proposed programme budget for 2020.

## K. Next steps

70. Actions to be undertaken during the next reporting period are as follows:

- (a) Administer the one-year defect liability period for the early/decanting works package;
- (b) Implement construction services under the main renovation works contract;
- (c) Commence service delivery under the artwork restoration packages;
- (d) Commence service delivery under the conference and information technology systems and networks package;
- (e) Complete the design of the permanent exhibitions, refine the procurement strategy, launch the tender and eventually award the contracts;
- (f) Sign an amendment to the lease agreement with the host country Government to define the use and development of the additional land needed for the new visitors' parking area.

## III. Recommended actions to be taken by the General Assembly

71. **The General Assembly is requested to:**

- (a) **Take note of the progress made since the issuance of the previous report of the Secretary-General;**

(b) **Take note of the revised cost plan;**

(c) **Appropriate an amount of \$8,434,100, comprising: (a) \$752,000 under section 18, Economic and social development in Africa; (b) \$7,577,100 under section 33, Construction, alteration, improvement and major maintenance; and (c) \$105,000 under section 34, Safety and security, of the proposed programme budget for 2020, which would represent a charge against the contingency fund.**

## Annex

## Revised cost plan

(Thousands of United States dollars)

	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019	2020	2021	2022	Total	Reported in A/73/355	Change
<b>Section 33, Construction, alteration, improvement and major maintenance</b>										
<b>1. Construction costs</b>										
1.1 Building costs	–	–	–	5 182.0	11 376.3	11 228.1	423.1	28 209.5	27 813.7	395.8 <sup>b</sup>
1.2 Decanting works	–	–	514.2	2 057.5	39.2	–	–	2 610.9	2 059.5	551.4 <sup>b</sup>
1.3 Conference and information technology systems	–	–	–	–	1 900.0	1 900.0	100.0	3 900.0	3 900.0	–
1.4 Artwork restoration	–	–	–	140.0	40.0	749.0	21.0	950.0	950.0	–
1.5 Permanent exhibition	–	–	–	–	400.0	250.0	51.0	701.0	701.0	–
<b>2. Professional services</b>										
2.1 Lead consultancy firm	983.2	1 733.3	911.6	952.4	926.0	651.4	250.0	6 407.9	6 401.2	6.7 <sup>c</sup>
2.2 Risk management	–	–	52.8	40.5	20.2	26.9	–	140.4	140.4	–
2.3 Other services	1.6	10.4	49.6	25.0	25.0	25.0	–	136.6	152.1	(15.5) <sup>d</sup>
<b>3. Escalation</b>	–	–	–	322.2	623.7	427.9	–	1 373.8	1 373.8	–
<b>4. Contingency</b>	–	–	–	938.4	3 088.6	3 172.1	133.6	7 332.7	8 271.1	(938.4) <sup>e</sup>
<b>Subtotal section 33</b>	<b>984.8</b>	<b>1 743.7</b>	<b>1 528.2</b>	<b>9 658.0</b>	<b>18 439.0</b>	<b>18 430.4</b>	<b>978.7</b>	<b>51 762.8</b>	<b>51 762.8</b>	<b>–</b>
<b>Section 18, Economic and social development in Africa</b>										
<b>5. Project management</b>										
5.1 Dedicated project management and support team	320.7	869.1	766.0	660.5	651.0	651.0	–	3 918.3	3 918.3	–
5.2 Dedicated coordinator at Headquarters	–	14.2	93.5	90.8	90.8	88.1	–	377.4	377.4	–
5.3 Consultancies and expertise	–	5.6	19.5	98.9	90.0	90.0	–	304.0	304.0	–
5.4 Travel of project management team	16.5	20.5	37.7	15.0	15.0	12.3	–	117.0	117.0	–
<b>Subtotal section 18</b>	<b>337.2</b>	<b>909.4</b>	<b>916.7</b>	<b>865.2</b>	<b>846.8</b>	<b>841.4</b>	<b>–</b>	<b>4 716.7</b>	<b>4 716.7</b>	<b>–</b>
<b>Section 34, Safety and security</b>										
<b>6. Security requirements</b>	–	26.7	104.1	96.0	95.0	95.0	–	416.8	416.8	–
<b>Subtotal, section 34</b>	<b>–</b>	<b>26.7</b>	<b>104.1</b>	<b>96.0</b>	<b>95.0</b>	<b>95.0</b>	<b>–</b>	<b>416.8</b>	<b>416.8</b>	<b>–</b>
<b>Total</b>	<b>1 322.0</b>	<b>2 679.8</b>	<b>2 549.0</b>	<b>10 619.2</b>	<b>19 380.8</b>	<b>19 366.8</b>	<b>978.7</b>	<b>56 896.3</b>	<b>56 896.3</b>	<b>–</b>
Funded by voluntary contributions <sup>f</sup>	–	–	–	–	9.0	43.0	–	52.0		
Funded by appropriations	1 322.0	2 679.8	2 549.0	10 619.2	19 371.8	19 323.8	978.7	56 844.3		

<sup>a</sup> Reflects actual expenditure incurred in 2016, 2017 and 2018.

<sup>b</sup> The increases in building costs (\$395,800) and decanting works (\$551,400) represent the adjustments made to reflect the actual contract values of two work packages for which the procurement actions have now been completed, namely, the early decanting work package and the main renovation work package. The remaining three work packages (conference and information technology systems package, artwork restoration package and permanent exhibition package) are still based on the original estimates, as indicated in the previous progress report of the Secretary-General (A/73/355), pending the result of related procurement actions and the awarding of contracts.

<sup>c</sup> An increase under lead consultant firm (\$6,700) relates to additional consultancy services required for the early works package.

<sup>d</sup> A decrease under other services (\$15,500) relates to slightly lower-than-expected requirements during design development.

<sup>e</sup> A decrease in contingency provision (\$938,400) is the result of changes to the baselines for items that were already procured or implemented under the building and decanting work packages.

<sup>f</sup> Reflects the portion of artwork restoration work to be funded from the voluntary contribution received from the Government of Mali.