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Progress in the renovation of Africa Hall at the Economic Commission for Africa in Addis Ababa

Report of the Secretary-General

Summary

The Secretary-General hereby submits his fifth progress report on the renovation of Africa Hall and on the visitors' centre at the Economic Commission for Africa premises in Addis Ababa, pursuant to section X of General Assembly resolution [74/263 A](#).

The present report provides an update on the project since the issuance of the previous progress report of the Secretary-General ([A/74/328](#)), including design development, procurement activities, project governance, risk management, progress in construction and the status of voluntary contributions. The report also provides an updated project schedule and a revised cost plan.

During the present reporting period, the contractor for the main renovation works defaulted and the contract was terminated, resulting in the resolicitation of the bid to replace the contractor. This is a major setback for the project, shifting the estimated substantial completion date by 22 months, to September 2023. However, notwithstanding the accrued delays, the Secretary-General remains confident that, by employing additional risk mitigation measures and value engineering, the project will remain 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 and include taking note of the report and approving the establishment of one new temporary position of Contracts Manager, (P-3) for the project.



I. Progress in the Africa Hall renovation project

A. Background

1. 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](#), [73/279 A](#) and [74/263 A](#), the Assembly noted the progress made during the relevant reporting periods and appropriated a total amount of \$36,541,700 for project activities from 2016 to 2020. The present progress report is the fifth one since the approval of the project by the Assembly in 2015.

B. Project summary

2. The project continues to be implemented in accordance with the previously reported objectives, which remain unchanged.

3. 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.

4. According to the previous progress report of the Secretary-General ([A/74/328](#)), the project was scheduled for substantial completion by the end of 2021. Delays caused by the defaulting main renovation works contractor and the consequent termination and resolicitation of the main renovation works package have, however, shifted the forecasted substantial completion date by 22 months, to September 2023. In addition, the coronavirus disease (COVID-19) pandemic in 2020 has introduced a significant new risk to the project that could have an impact on the supply chain and the construction implementation schedule, depending on how the pandemic evolves in 2020 and beyond.

5. Notwithstanding the delays, which are mostly irrevocable, and the risk mentioned above, the Secretary-General remains confident that the project will be delivered within the maximum approved project budget of \$56.9 million, which includes provisions for cost escalation and contingencies.

6. The renovation of the Africa Hall continues to be 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

7. During the reporting period, the stakeholders committee, which was established in 2016, met three times: in October 2019 and in March and May 2020.

8. 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.

9. During the most recent meetings of the stakeholders committee, the participants were briefed on the underlying reasons that had caused the current additional 22 months of delays and actions 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 an absolute minimum so as to avoid additional cost and schedule overruns.

10. Information was provided about the termination of the main renovation works contract and the effects that it would most likely have on the project budget and time schedule, different resource mobilization strategies, the visitors' centre business case, the implications of the COVID-19 pandemic for the project and risk management efforts.

Advisory Board

11. The Advisory Board met in October 2019 and June 2020. The Board was kept updated on and informed of the issues related to the main renovation works package and expressed its concern about the resulting consequences.

12. In March 2020, the appointed Chair of the Advisory Board resigned because he had received a new assignment and his work in Addis Ababa had come to an end. The Executive Secretary of the Economic Commission for Africa (ECA) is in the process of selecting and appointing a new Chair from a pool of senior Member State representatives based in Addis Ababa.

13. Advisory Board members continue to perform active roles and have provided the project owner with valuable views and recommendations on how to protect the project and its implementation. During the meetings, the Board was briefed on the current progress, including both potential and actual changes to project baselines.

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

Coordination with Headquarters

15. The administrative and coordination agreement established in 2017 between ECA and the Global Asset Management Policy Service of the Office of Programme Planning, Finance and Budget continues to define the roles and responsibilities for various project management functions on items such as change management processing and status reporting.

16. To most effectively address the increased difficulties that have arisen from the termination of the main renovation works contract, coordination meetings between team members of the Global Asset Management Policy Service and of the ECA Africa Hall renovation project, previously held biweekly, are now held every week. Those meetings were supplemented by a Service mission to ECA in October 2019. Throughout the reporting period, the Service continued to provide technical guidance and advice and shared lessons and best practices from other ongoing capital construction projects. In addition, the Service serves as the primary interlocuter

between ECA and key stakeholders in New York, including the Office of the Chief of Supply Chain Management and the Office of Legal Affairs regarding the resolicitation of the main renovation works package.

17. The Global Asset Management Policy Service is supported by an international professional firm in providing construction-related, independent risk management services for the project owner. Regular risk assessment meetings were held with the ECA project team and key project stakeholders prior to the issuance of the biannual independent risk management reports. The purpose of these meetings is the generation of data from the project's risk register to understand the potential impact that these risks could have on the overall project schedule and cost plan, and the related cost and schedule contingencies, as further described in the section on risk management below. The independent risk management firm also participated in an ad hoc meeting organized by the Service in response to the COVID-19 pandemic.

D. Project management

18. 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), a Logistics and Shipping Assistant (Local level) and an Administrative Assistant (Local level), all temporary positions approved by the General Assembly in its resolution [70/248 A](#).

19. The temporary position of Project Coordinator (P-4) is embedded in the Global Asset Management Policy Service in New York, and the incumbent continues to provide support and oversight services for the project, including risk management coordination services.

20. The duration of the temporary positions within the dedicated project team were based on the project schedule approved by the General Assembly in its resolution [70/248 A](#), in which substantial project completion by the end of 2020 and final completion by the end of 2021 were foreseen. However, given the accrued delays to date and to ensure the continuation of appropriate day-to-day management of the project, there will be a need to extend the provision of dedicated project management services, commensurate with the revised project schedule.

21. The lead consultant firm has, to date, been assigned the delivery of a variety of site administration services during the implementation of the construction works. However, in order to potentially reduce costs, ECA intends to perform some of the services initially foreseen to be delivered by the lead consultant, such as daily site supervision services, through the dedicated project team. At the time of writing, ECA had been renegotiating the contractual service delivery with the lead consultant firm.

22. In order to strengthen and support the dedicated project team until the forecasted substantial project completion at the end of September 2023, it is proposed that an additional dedicated project temporary position of Contracts Manager (P-3) be established, beginning in 2021 and continuing for the duration of the project. The incumbent would provide contract administration services such as drafting contract amendments that reflect approved modifications or changes to project baselines and recording and coordinating the settlement of claims. The requirement for these strengthened services has emerged owing to the challenges faced during the construction phase to date, and it is imperative that change orders and potential claims be tightly managed going forward so as to mitigate the risk of any further delays in construction implementation. The Contracts Manager would report to the Project Manager (P-5).

23. The six dedicated security officers, whose temporary positions were also approved by the General Assembly by its resolution [71/272](#), will provide security services until substantial project completion at the end of September 2023.

24. ECA has continued to engage individual consultants to provide expert knowledge and professional services not available within the dedicated project management team, as follows:

(a) Exhibition curation. The expert hired in April 2018 has supported ECA in developing the business case for the visitors' centre and in establishing the permanent exhibition, including selecting the items to be exhibited. In view of the delays accrued and given the COVID-19 pandemic in Ethiopia, the expert has not provided any services since March 2020. Once the project resumes in 2021, the expert is supposed to support the solicitation and oversee and coordinate the implementation of the curatorial work package;

(b) Artwork restoration. The expert hired in February 2018 has strengthened and supported the project management team during the artwork restoration solicitation and will oversee and coordinate future artwork restoration works. Because of the resolicitation of the main renovation works, the expert is not providing any services, until further notice;

(c) Resource mobilization. The expert hired in February 2020 has supported ECA in developing a detailed resource mobilization plan, as requested by the General Assembly in its resolution [73/279 A](#). Owing to the COVID-19 pandemic in Ethiopia, the expert is not providing any services, until further notice;

(d) Communication services. The outcomes of a procurement action revealed that the cost of the envisaged services would exceed the budgeted amount. Accordingly, ECA is evaluating alternative options, such as awarding only parts of the required communication services to an individual consultant(s) and delivering the rest itself, or delivering all the services itself.

E. Project accountability

25. In line with General Assembly resolutions [69/262](#), [70/248 A](#), [71/272 A](#), [72/262 A](#), [73/279 A](#) and [74/263 A](#), the Office of Internal Oversight Services (OIOS) conducted its fifth annual audit of the Africa Hall renovation project in January and February 2020. The most recent audit report¹ contains nine recommendations, all of which were accepted by ECA and are under implementation. OIOS recommended the following:

(a) ECA should update the terms of reference for the Advisory Board of the Africa Hall renovation project to include the project executive as a non-voting member of the Board;

(b) ECA should designate an official responsible to track action points arising from meetings of the Advisory Board and the stakeholders committee of the Africa Hall renovation project and assign specific officials and timelines for their implementation to facilitate follow-up;

(c) The project owner of the Africa Hall renovation project should take steps to attend or designate a representative to attend all scheduled meetings of the Advisory Board and the stakeholders committee to deliberate on matters related to the project in accordance with their terms of reference;

(d) ECA should take action to include all matters requested by the General Assembly, such as the utilization of local knowledge and materials and consideration

¹ Reference 2020/013 (June 2020). Available at <https://oios.un.org/node/1709>.

of environmental and waste management issues, on the agenda of meetings of the stakeholder committee for the Africa Hall renovation project to ensure consideration and implementation;

(e) ECA should take steps to ensure that reports submitted to advisory bodies of the Africa Hall renovation project are adequately vetted and include sufficient detail to enable meaningful discussions by the stakeholders;

(f) The Global Asset Management Policy Service of the Department of Management Strategy, Policy and Compliance should set up a mechanism to ensure that the independent risk management firm supporting the Africa Hall renovation project in ECA meets its contractual obligation;

(g) ECA should take action to mitigate the financial impact of the delays in the Africa Hall renovation project schedule, including by reassigning members of the project team where feasible and expediting the renegotiation of the contract with the lead consultant;

(h) ECA should nominate a staff member with adequate seniority in the organization to oversee and coordinate resource mobilization for the Africa Hall and visitors' centre construction projects;

(i) ECA should take action to ensure that the dedicated procurement officer for the Africa Hall renovation project operates as part of the project team, advising them on procurement strategy and liaising with the Procurement Division at Headquarters.

26. ECA values the regular OIOS audits, which provide an opportunity for the project owner, the project executive and the 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.

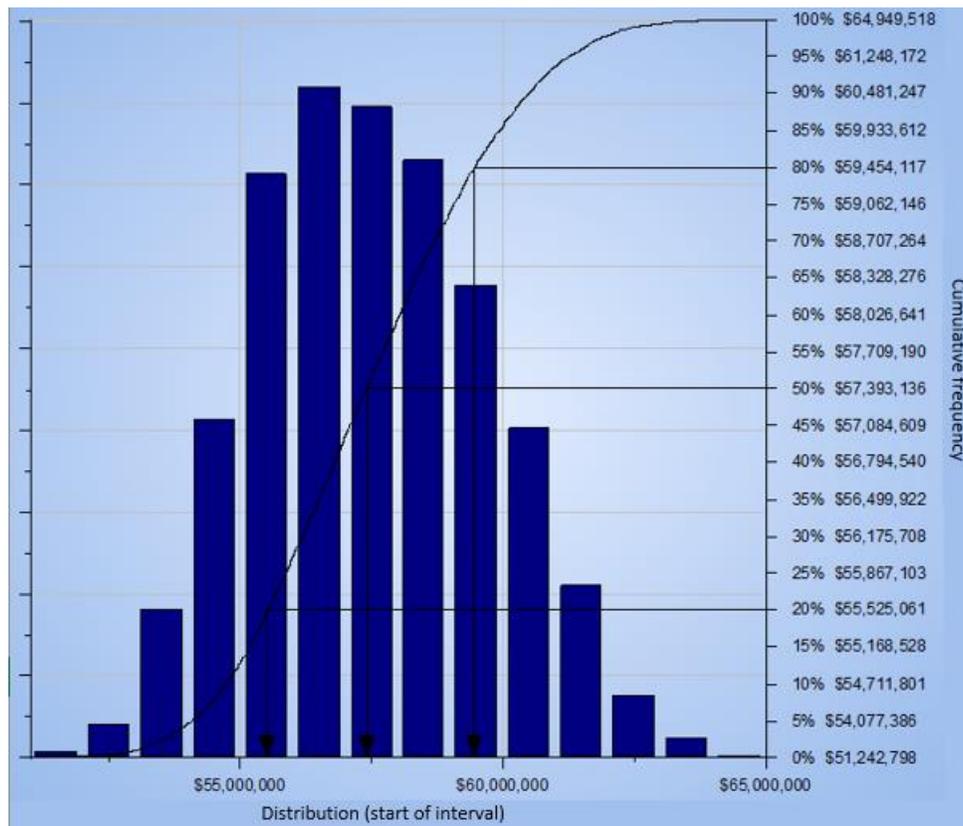
F. Risk management

Independent risk management

27. The independent risk management firm has conducted regular risk meetings to review the project risk register and has provided guidance on the management of project risks. The independent risk management firm has produced five biannual independent risk management progress reports since 2017 to continuously support the decision-making of the project owner.

28. In June 2020, the independent risk management firm facilitated the third 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 simulation is shown in figure I.

Figure I
Cost histogram for analysed risks as of June 2020

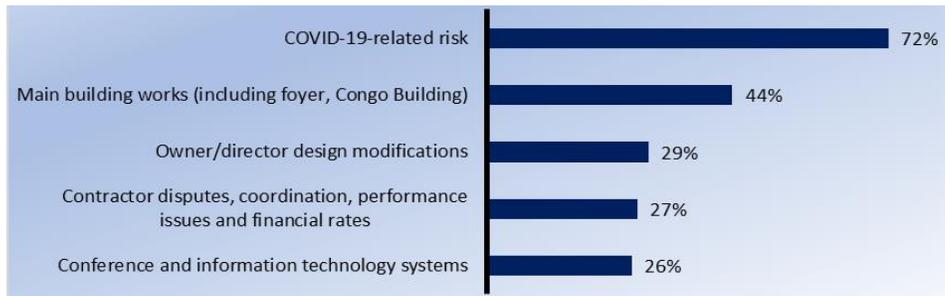


29. As indicated in figure I, the third simulation now shows a likelihood of delivering the project within the maximum approved overall cost of \$56.9 million at 43 per cent. This represents a downward trend, compared with the two previous models, which were at 75 and 69 per cent in 2018 and 2019, respectively.

30. The decrease in confidence to deliver the project within budget is related primarily to the projected additional schedule delay of 22 months and the resulting costs, mainly for the dedicated project management team and architectural design consultant. In addition, potential safety measures and/or changes in the work method to be applied during the future main renovation works implementation because of the current COVID-19 pandemic, such as social distancing measures on the construction site that might slow down overall progress, apply pressure to the confidence level for delivering the project within budget. It can be expected that the confidence level will increase again once the implementation of the main works package has been reassigned and a better understanding is gained regarding the capability of the contractor and the local regulations to be applied to deliver the works.

31. The Monte Carlo simulation of 2020 also resulted in the updated cost sensitivity analysis depicted in figure II, which shows the top five risks that have the greatest impact on the overall project costs (from most to least impact, based on statistical correlation). With respect to the Africa Hall renovation project, the unknowns around the COVID-19 pandemic have the highest level of correlation to the overall project costs.

Figure II
Cost sensitivity analysis as of May 2020



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) **COVID-19-related risk.** This risk includes a variety of unknowns that could have an impact on the project. For example, there is a risk that the implementation of the main renovation works will take longer than planned because of local regulations, such as social distancing measures (limiting or reducing the number of contractor staff on site) or the requirement to provide additional hygienic common facilities, such as toilet rooms, locker/dressing rooms and catering facilities. Furthermore, there is a risk that the global supply chain for the construction goods and services will be affected by the pandemic, which could lead to a shortage in goods and services needed for the renovation of the Africa Hall, with consequent price or delivery time frame impacts. As at the issuance of the present report, it is still too early to fully understand the entire range of potential risks and consequences of the COVID-19 pandemic, both in Ethiopia and globally, and no specific mitigation measures have therefore been assigned to risk owners. However, both the dedicated project team and the Global Asset Management Policy Service, supported by the independent risk management firm, are carefully monitoring the subject;

(b) **Main building works.** In the current COVID-19 pandemic environment, there is a risk that the main building works will be resolicited at costs that differ from the current cost estimates. As a risk mitigation measure, ECA decided to resolicit the main renovation works package by using an innovative procurement process referred to as “multi-stage” tendering, which is intended to create the best possible understanding of the project for vendors to provide the highest quality and the most cost-efficient proposals. It should be noted that, because the project is a heritage preservation of a monumental building, it is not expected that the scope of the project would change as a result of the pandemic;

(c) **Owner-directed design changes/modification.** Further to the progress reports [A/73/355](#) and [A/74/328](#), this risk relates to owner requirements that may emerge following the established baseline design and construction documents and 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 team 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;

(d) **Contractor disputes/performance issues.** As reported in [A/74/328](#), this risk relates to costs that might arise from unresolved disputes with consultants/contractors during the project delivery, which could lead to low motivation, slow or no progress or an unacceptable quality of deliverables. To mitigate the risk, the renovation project team

addresses 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 adhered to by the project participants during the entire project execution. Updates may be made to the processes and procedures to reflect the needs of the consultants/contractors, if such updates do not undermine the needs of ECA;

(e) **Conference and information technology systems.** As noted in [A/74/328](#), this risk relates to costs that could arise from expanding the scope for services related to the conference and information technology systems and networks package. Such expanded scope 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/modification 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, Communications and Technology Services Section to ensure that final systems installations will meet and be in line with the requirements of the Organization.

Integrated risk management

33. The project team, supported by the independent risk management firm, continued to perform 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 services 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 the contractor to be on site to provide professional services during the project implementation.

35. In December 2019, two agreements were signed, one with the City of Addis Ababa and the other with the Government of Ethiopia, for the use of parcels of land adjoining the ECA compound in Addis Ababa. The agreements were significant milestones for the project, and the Secretary-General greatly appreciates the support of the host country for the success of the project. The land is leased by ECA for a period of 60 years at no cost and will be used to develop the future visitors' parking space.

Voluntary contributions

36. In July 2018, ECA 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 were reduced by an amount of

\$9,000 and will be further reduced in 2022 up to the total amount of \$52,192, to account for the utilization of that voluntary contribution.

37. Further to the information provided in a previous progress report of the Secretary General ([A/73/355](#), para. 38), the Government of Switzerland was provided with a detailed proposal from ECA for the voluntary contribution of Switzerland in the amount of 100,000 Swiss francs to be used to support the start-up and operation of the visitors' centre. The Government has acknowledged the proposal and will provide the funds in advance to support the start-up of the visitors' centre.

38. ECA intends to continue to seek voluntary contributions for the project by showcasing and promoting it at large events and conferences, including at future summits of the African Union. However, owing to the COVID-19 pandemic, such major events in 2020 were cancelled. ECA will determine any future events to potentially promote and showcase the project once the COVID-19 situation will allow for such events to be held again.

39. The agreement mentioned in paragraph 35 above will allow ECA to develop a visitors' parking space on an area of approximately 3,000 m³, for which no future lease will be due over a period of 60 years. During the signing ceremony, ECA took the initiative and presented various options to potentially support the Africa Hall renovation to diplomats and officials present at the ceremony.

40. Supported by the Advisory Board, in particular members from the African Union and the United Nations Educational, Scientific and Cultural Organization (UNESCO), ECA reached out to African Member States and institutions with a request to provide any art pieces or historical objects that may bear witness to the relevance of the building's legacy. The project team, together with the dedicated exhibition curation and artwork restoration experts, are assessing options for academia and scholars to provide knowledge and other forms of contributions.

41. 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 at ECA has assigned a subject expert to finalize an 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.

Procurement activities

42. As noted in previous progress reports and reflected in the 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. Because of the COVID-19 pandemic, the contractor suspended activities related to the early decanting works package on 25 March 2020, with a completion rate at that time of approximately 95 per cent. At the time of writing, the contractor had not yet resumed the remaining works. Although not currently on the critical path for the overall project schedule, the early works component was due in October 2019. However, the contractor caused various implementation slippages and submitted several claims, which are being reviewed for settlement.

44. In accordance with [A/74/328](#), the contract for the main renovation works was awarded to a joint venture and became effective on 10 May 2019. The contract was scheduled for completion in December 2021 at a cost of \$28,209,500. However, the lead company in the joint venture declared bankruptcy. Despite having been given the opportunity to do so, the remaining joint venture companies could neither meet

the terms of the contract nor name an acceptable replacement. Consequently, ECA decided to terminate the contract in February 2020.

45. At the time of writing, the resolicitation of the main renovation works contract was ongoing. ECA chose an innovative procurement method, referred to as a “multi-stage” tender, which was also applied for the strategic heritage plan of the United Nations Office at Geneva. This procurement route allows ECA to interact with bidders during the development of the technical proposal through a structured process, in order for bidders to gain a good understanding of the project scope and its governance, including meeting key members of the United Nations management team. This approach is aimed at maximizing the bidders’ understanding of the project and thus leading to a financial proposal with minimized unforeseen risks to be embedded into the contractor’s price. At the time of writing, it was forecast that the contract for the main renovation works package would be signed by April 2021.

46. The solicitation documentation of the conference and information technology systems and networks component is forecast to be issued during the second half of 2020, and a contract is forecast to be awarded by the second half of 2021.

47. The resolicitation efforts for the artwork restoration package did not entirely lead to the envisaged results, and the retendering of various packages is in progress, with a contract expected to be awarded in coordination with the main renovation works contract, which is forecast for April 2021. It should be noted that none of the art restoration works are on the critical path of the project schedule and therefore do not present undue risk to the overall project delivery.

48. Because of the setback encountered in relation to the main renovation works, the implementation of the permanent exhibition package has now been postponed. The solicitation documents will be issued once the main works are under way. The permanent exhibition component will be delivered once the implementation of the main renovation works is complete.

Local knowledge and lessons learned

49. The renovation of Africa Hall 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 construction projects.

50. In addition, on the occasion of the handover of the early works package by the project team and those ECA stakeholders who will take on ownership of the early works products, the project team will identify best practices to be applied during future handover procedures of the main renovation works and other works packages.

Planning and design activities

51. The design for the conference and information technology systems and networks component is now complete, and the related services will be solicited concurrently with the tender actions for the main renovation works package.

52. The design development for the permanent exhibition area of Africa Hall is in its final stage and forecast to be completed by the end of 2021.

53. 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. Accordingly, ECA has organized workshops with local institutions and scholars from Addis Ababa University, the Authority for Research and Conservation of Cultural Heritage, the African Union Commission and the host country to collect their expert knowledge and information in support of the heritage objectives of the project.

Status of construction efforts

54. As noted above, the implementation of the early decanting works commenced in January 2018 and has reached a completion rate of approximately 95 per cent. Upon completion of the early works package, the tenants occupying the retail spaces in the rotunda of Africa Hall will relocate to occupy the newly established retail spaces in the Congo and Nile Buildings.

55. As explained above, the contract for the main renovation works package was terminated by ECA in February 2020, and a resolicitation process is under way. It is expected that a new contractor will be onboard by April 2021.

56. To minimize costs during the resolicitation period for the main renovation works contract, the construction administration services to be delivered by the lead consultant firm were suspended in March 2020, until further notice. ECA is also trying to renegotiate reduced service delivery under the current contract with the lead consultant firm to potentially minimize future costs once the main renovation works are under way by the second quarter of 2021, as mentioned in paragraph 21 above.

H. Other matters

Accessibility

57. As indicated in previous progress reports, the design for the renovation of Africa Hall meets all relevant principles of equitable access design.

58. During the reporting period, the project team continued to liaise and coordinate with the ECA task force on accessibility and provided support for developing the future accessibility upgrades across the ECA compound. The project team is also in contact with external stakeholders, such as the Austrian Development Agency and the Ethiopian Center for Disability and Development, and exchanges lessons learned and best practices related to inclusion and equitable access design.

Sustainability

59. To address the requests of the General Assembly contained in resolutions [73/279 A](#) and [74/263 A](#), ECA will begin to measure and record energy consumption in the new permanent spaces created with the early works package, upon handover, and create a consumption baseline six months after the handover of that package. The consumption baseline will then be used as a benchmark for monitoring user habits and identifying potential efficiency gains during regular, future operations of those spaces.

60. Furthermore, metering zones will be established and bulk meters installed to measure and record the total water and energy consumption for the renovated Africa Hall, and for selected subzones, such as the assembly hall or the new visitors' centre. Upon completion of the Africa Hall renovation, ECA will start to record water and energy consumption of the building (in total and for its subzones) and create consumption baselines six months after handover of the renovated Africa Hall, which will assist in optimizing future energy consumption patterns and operations.

Visitors' centre

61. ECA has refined the visitors' centre business case, incorporating various ways of creating local, regional and global awareness of the historic Africa Hall, as well as

key elements of African heritage. The refinement includes efforts under way to cultivate partnerships with Tourism Ethiopia, other entities in the hospitality business, the World Tourism Organization, UNESCO and the International Finance Corporation of the World Bank Group and to develop future partnership arrangements with tourism host authorities, event organizers, research institutions and universities and Model United Nations clubs in high schools.

62. Furthermore, the revised business case outlines the importance of leveraging the already established local, regional and international networks of the meetings industry through the existing marketing strategy of the United Nations Conference Centre in Addis Ababa. In line with that, the business case underlines the need to start some of the marketing initiatives that are specifically recommended for promoting the visitors' centre and raising awareness in advance of the centre's opening, namely, piggyback marketing, the use of digital and online tours and digital marketing, and the use of mascots. These efforts will contribute to a more impactful outcome and are expected to lead to positive results in terms of the inflow of visitors at the time of the opening of the visitors' centre and beyond.

63. The revised business case projects at least 79,000 visitors to Africa Hall at the end of the initial year after reopening, taking into consideration the expected inflow of tourists, business travellers, transit travellers, members of the local community, students at primary schools, high schools and institutions of higher learning, such as universities, conference participants at the Conference Centre and elsewhere, the extended United Nations and African Union community, and the diplomatic community and their guests, and visiting researchers, among others.² The business case also projects revenue from two categories of visitor: local visitors and residents; and international tourists and conference participants (in Ethiopian birr and United States dollars). One-time (start-up) costs and annual operating expenses are addressed in the revised business case.

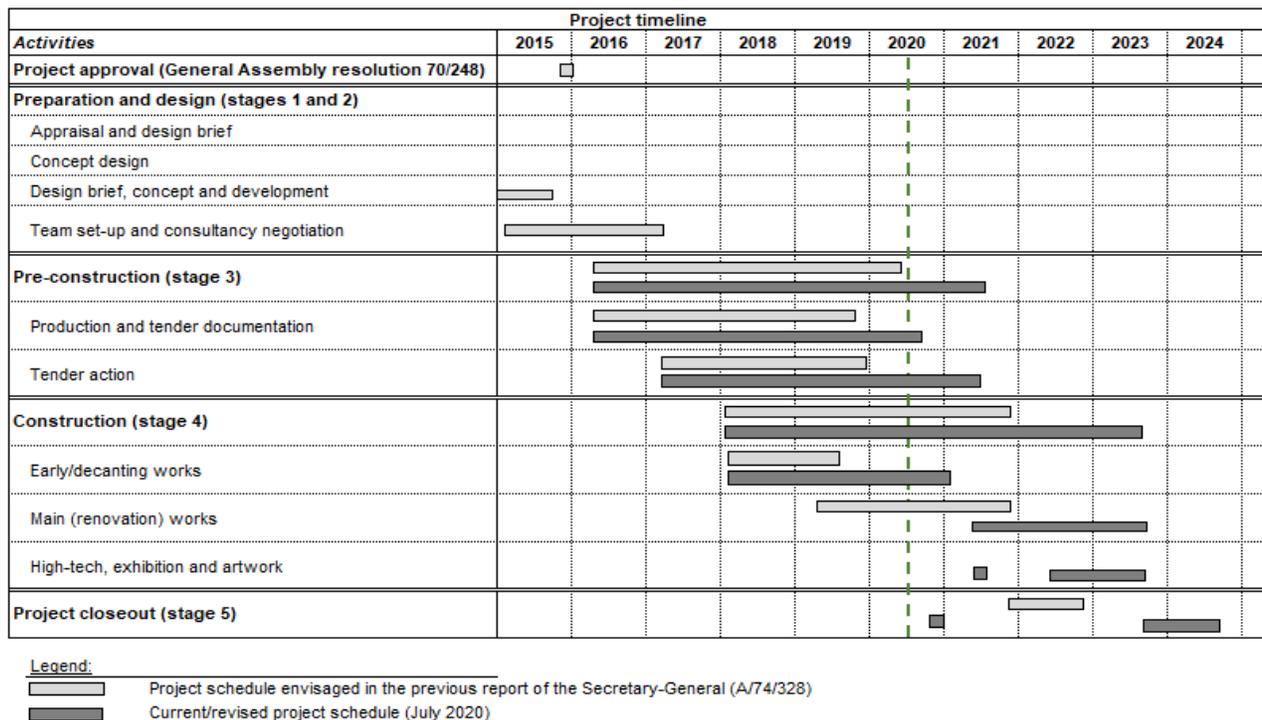
64. Also included in the revised business case, pursuant to General Assembly resolution 70/248 A (sect. IX, para. 23), are the direct and indirect benefits that the visitors' centre brings to ECA and the public, as well as a plan for realizing such benefits. In this regard, the visitors' centre complements the various initiatives and progressive investments that are being undertaken by the city government in an effort to create more tourist attraction points in Addis Ababa. Furthermore, the Africa Hall project fits perfectly into the stopover tourism initiative of the Ethiopian tourism strategy as one of the landmarks to be visited in Addis Ababa, given its status as the sole heritage site aimed at preserving the history of pan-Africanist movements and displaying iconic artwork portraying the wealth of African cultural heritage. Thus, Africa Hall will take its place on the Ethiopian tourism stage as an African heritage site showcasing cultural/natural, material/immaterial and archaeological elements as part of the depth and variety of African culture and its importance to the world. In addition, the visitors' centre will curate African development and achievements by exhibiting the work of the United Nations in Africa, in particular ECA. The draft business case was shared with all ECA stakeholders, and their input was included

I. Project schedule

65. Figure III shows the actual project progress as of July 2020 and the updated schedule until project completion.

² This estimate was made prior to the outbreak of the coronavirus disease (COVID-19) pandemic; the estimated number of visitors is subject to change on the basis of updated information regarding the pandemic.

Figure III
Project schedule for the renovation of Africa Hall as of July 2020



J. Project expenditure and anticipated costs

Status of expenditure and projected expenditure up to the end of 2020

66. In its resolutions [71/272 A](#), [72/262 A](#), [73/279 A](#) and [74/263 A](#), the General Assembly appropriated \$36,541,700 for the project for the period 2016–2020, comprising: (a) \$3,875,200 under section 18, Economic and social development in Africa; (b) \$32,344,700 under section 33, Construction, alteration, improvement and major maintenance; and (c) \$321,800 under section 34, Safety and security, of the proposed programme budgets for the bienniums 2016–2017 and 2018–2019 and for 2020.

67. The cumulative expenditure as at 31 July 2020 was \$11,005,400 and the projected expenditure for the remainder of 2020 amounted to \$1,232,200, as detailed in table 1. The relatively low level of expenditure is because the main renovation works package, which is the largest works package of the Africa Hall renovation project, was not delivered as planned, as described above.

Table 1
Status of expenditure as at 31 July 2020 and projection for the remainder of 2020

(Thousands of United States dollars)

	<i>Appropriated project funding for the period 2016–2020</i>	<i>Cumulative expenditure as at 31 July 2020</i>	<i>Projected expenditure from 1 August to 31 December 2020</i>	<i>Total projected expenditure for 2016–2020</i>	<i>Projected unused balance at the end of 2020</i>
	(a)	(b)	(c)	(d) = (b) + (c)	(e) = (a) - (d)
Section 33, Construction, alteration, improvement and major maintenance					
1. Construction costs ^a	21 649.2	2 290.7	281.0	2 571.7	19 077.5
2. Professional services	5 731.6	4 660.5	366.2	5 026.7	704.9
3. Escalation	945.9	–	–	–	945.9
4. Contingency	4 027.0	–	–	–	4 027.0
Subtotal, section 33	32 353.7	6 951.2	647.2	7 598.4	24 755.3
Section 18, Economic and social development in Africa					
5. Project management	3 875.2	3 738.4	534.2	4 272.6	(397.4)
Subtotal, section 18	3 875.2	3 738.4	534.2	4 272.6	(397.4)
Section 34, Safety and security					
6. Security requirements	321.8	315.8	50.8	366.6	(44.8)
Subtotal, section 34	321.8	315.8	50.8	366.6	(44.8)
Total	36 550.7	11 005.4	1 232.2	12 237.6	24 313.1
Funded by voluntary contributions	9.0	–	–	–	9.0
Funded by appropriation	36 541.7	11 005.4	1 232.2	12 237.6	24 304.1

^a Includes the portion of artwork restoration services (part of the planned 2020 construction costs) in the amount of \$9,000, to be funded from the voluntary contribution received from the Government of Mali.

68. As shown in table 1, a balance of \$24,313,100 is projected to remain unused at the end of 2020, owing to the termination and resolicitation of the main renovation works contract during the reporting period.

Resource requirements for 2021

69. The resource requirements for 2021 are shown in table 2. The total projected expenditure for 2021 amounts to \$17,832,700, comprising:

(a) \$1,108,400 under section 18, Economic and social development in Africa, which will provide for:

(i) Continuation of the current dedicated management team, the cost of one additional temporary position of Contracts Manager (P-3), as explained in paragraph 22 above, and 50 per cent of the cost of the Project Coordinator (P-4) position based at Headquarters (cost-shared with the replacement of office blocks A to J at the United Nations Office at Nairobi) (\$981,400);

(ii) Individual consultants providing expert knowledge to support the dedicated project team upon demand (\$120,000);

(iii) Travel of the project management team, which will be limited to the minimum required and also reflects the estimated impact of travel restrictions owing to the COVID-19 pandemic (\$7,000);

(b) \$16,541,700 under section 33, Construction, alteration, improvement and major maintenance, which will provide for:

(i) Construction costs (\$13,003,000) to finalize the early decanting works and for the implementation of the main renovation works, the conference and information technology systems and networks installation works and the artwork restoration works;

(ii) Professional services (\$635,200), including services of the lead consultant to finalize the design and support the dedicated project team in construction management and construction supervision activities, 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 (\$1,373,800) to cover construction-specific inflation impacts;

(iv) A contingency provision (\$1,529,700) to cover inherent risks in case they materialize;

(c) \$182,600 under section 34, Safety and security, for security services provided by the six security officers.

Table 2

Resource requirements for 2021

(Thousands of United States dollars)

	<i>Projected expenditure in 2021</i>	<i>Projected unused balance at the end of 2020</i>	<i>Net funding requirement for 2021</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c) = (a) - (b)</i>
Section 33, Construction, alteration, improvement and major maintenance			
1. Construction costs	13 003.0	19 077.5	(6 074.5)
2. Professional services	635.2	704.9	(69.7)
3. Escalation	1 373.8	945.9	427.9
4. Contingency	1 529.7	4 027.0	(2 497.3)
Subtotal, section 33	16 541.7	24 755.3	(8 213.6)
Section 18, Economic and social development in Africa			
5. Project management	1 108.4	(397.4)	1 505.8
Subtotal, section 18	1 108.4	(397.4)	1 505.8
Section 34, Safety and security			
6. Security requirements	182.6	(44.8)	227.4
Subtotal, section 34	182.6	(44.8)	227.4
Total	17 832.7	24 313.1	(6 480.4)
Funded by voluntary contributions ^a	9.0	9.0	–
Funded by appropriations	17 823.7	24 304.1	(6 480.4)

^a Reflects the portion of artwork restoration works in 2021 (part of the construction costs) to be funded from the voluntary contribution received from the Government of Mali.

70. Of the projected expenditure of \$17,832,700 for 2021, \$17,823,700 will be funded from appropriations and assessments already made in previous years on

Member States. 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 \$24,304,100 at the end of 2020 will be carried forward and cover the funding requirements in 2021.

K. Next steps

71. Actions to be taken during the next reporting period are as follows:

- (a) Substantially complete the early/decanting works package and hand over its products to ECA for operational use;
- (b) Complete the resolicitation efforts and award the contract to a professional firm for delivering the main renovation works package;
- (c) Mobilize and deliver the construction services of the main renovation works contract;
- (d) Select the professional firm(s) for some of the artwork restoration packages and deliver the related artwork restoration services;
- (e) Solicit and award the contract to a professional firm for delivering the conference and information technology systems and networks package;
- (f) Deliver the services of the conference and information technology systems and networks contract;
- (g) Complete the design development for the permanent exhibitions and solicit the related services.

II. Recommended actions to be taken by the General Assembly

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

- (a) **Take note of the report of the Secretary-General;**
- (b) **Approve the establishment of one new project temporary position (Contracts Manager, P-3), beginning in 2021.**

Annex

Revised cost plan

(Thousands of United States dollars)

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020	2021	2022	2023	2024	Total	Reported in A/74/328	Change
Section 33, Construction, alteration, improvement and major maintenance												
1. Construction costs												
1.1 Building costs	–	–	54.6	354.3	57.6	11 290.9	11 283.8	5 218.8	423.1	28 683.1	28 209.5	473.6 ^b
1.2 Decanting works	–	–	459.6	1 357.9	287.7	32.1	–	–	–	2 137.3	2 610.9	(473.6) ^b
1.3 Conference and information technology systems	–	–	–	–	–	1 500.0	2 000.0	300.0	100.0	3 900.0	3 900.0	–
1.4 Artwork restoration	–	–	–	–	–	180.0	114.0	691.0	5.0	990.0	950.0	40.0 ^c
1.5 Permanent exhibition	–	–	–	–	–	–	400.0	250.0	51.0	701.0	701.0	–
2. Professional services												
2.1 Lead consultancy firm	983.2	1 733.3	911.6	586.4	650.0	600.0	600.0	399.9	235.5	6 699.9	6 407.9	292.0 ^d
2.2 Risk management firm	–	–	52.8	–	30.3	20.2	20.2	16.9	–	140.4	140.4	–
2.3 Other services	1.6	10.4	49.6	2.5	15.0	15.0	15.0	5.0	–	114.1	136.6	(22.5) ^e
3. Escalation												
	–	–	–	–	–	1 373.8	–	–	–	1 373.8	1 373.8	–
4. Contingency												
	–	–	–	–	–	1 529.7	1 622.1	770.9	92.3	4 015.0	7 332.7	(3 317.7) ^f
Subtotal, section 33	984.8	1 743.7	1 528.2	2 301.1	1 040.6	16 541.7	16 055.1	7 652.5	906.9	48 754.6	51 762.8	(3 008.2)
Section 18, Economic and social development in Africa												
5. Project management												
5.1 Dedicated project management and support team	320.7	869.1	766.0	883.5	878.9	885.0	858.6	741.8	–	6 203.6	3 918.3	2 285.3 ^g
5.2 Dedicated coordinator at Headquarters	–	14.2	93.5	96.1	98.6	96.4	96.4	81.2	–	576.4	377.4	199.0 ^h
5.3 Consultancies and expertise	–	5.6	19.5	9.6	120.0	120.0	30.0	30.0	30.0	364.7	304.0	60.7 ⁱ
5.4 Travel of project management team	16.5	20.5	37.7	15.6	7.0	7.0	7.0	5.7	–	117.0	117.0	–
Subtotal, section 18	337.2	909.4	916.7	1 004.8	1 104.5	1 108.4	992.0	858.7	30.0	7 261.7	4 716.7	2 545.0

	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020	2021	2022	2023	2024	Total	Reported in A/74/328	Change
Section 34, Safety and security												
6. Security requirements	–	26.7	104.1	113.7	122.1	182.6	184.6	146.2	–	880.0	416.8	463.2 ^j
Subtotal, section 34	–	26.7	104.1	113.7	122.1	182.6	184.6	146.2	–	880.0	416.8	463.2
Total	1 322.0	2 679.8	2 549.0	3 419.6	2 267.2	17 832.7	17 231.7	8 657.4	936.9	56 896.3	56 896.3	–
Funded by voluntary contributions ^k	–	–	–	–	–	9.0	43.2	–	–	52.2	52.2	–
Funded by appropriations	1 322.0	2 679.8	2 549.0	3 419.6	2 267.2	17 823.7	17 188.5	8 657.4	936.9	56 844.1	56 844.1	–

^a Reflects actual expenditure incurred in 2016, 2017, 2018 and 2019.

^b Represents infrastructure works in the amount of \$473,600 under the main building works package rather than the early decanting works package.

^c The likelihood of overspending of \$40,000 for lot B (canvas and linen) of the artwork restoration efforts is more than 50 per cent (see para. 47).

^d The termination of the main renovation works contract leads to prolonged project delivery; the likelihood that the related and renegotiated services of the lead consultant during the prolonged project delivery period increase by \$292,000 is more than 50 per cent.

^e Given that the design for the remaining works is already well developed, it is expected that fewer support services will be needed, leading to reduced costs in the amount of \$22,500 from third-party experts.

^f An amount of \$3,317,700 is expected to be withdrawn from the contingency budget to cover cost increases that are earmarked with a likelihood of more than 50 per cent (see items (c), (d) and (e) amounting to \$309,500 under section 33), and to transfer funds in the amount of \$2,545,000 to cover prolonged project management services under section 18 and in the amount of \$463,200 to cover prolonged security services under section 34.

^g An increase in the amount of \$2,285,300 for prolonged services of the dedicated project management team to cover the prolonged project delivery period that resulted from the termination of the main renovation works contract.

^h An increase in the amount of \$199,000 for prolonged services of the dedicated project coordinator at Headquarters (Global Asset Management Policy Service) to cover the prolonged project delivery period that resulted from the termination of the main renovation works contract.

ⁱ An increase in the amount of \$60,700 for the services of experts and a probity monitor to support the project.

^j An increase in the amount of \$463,200 for prolonged security services to cover the prolonged project delivery period that resulted from the termination of the main renovation works contract.

^k Reflects the portion of artwork restoration work to be funded from the voluntary contribution received from the Government of Mali.