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Proposed programme budget for 2021

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

Thirteenth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2021

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions considered the seventh annual progress report of the Secretary-General on the strategic heritage plan of the United Nations Office at Geneva ([A/75/355](#)). The Advisory Committee also had before it the report of the Board of Auditors on the strategic heritage plan for the year ended 31 December 2019 ([A/75/135](#)). During its consideration of the above-mentioned reports, the Committee met with members of the Audit Operations Committee of the Board of Auditors and the representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 29 October 2020.

2. The Secretary-General indicates that his report is submitted pursuant to section VII of General Assembly resolution [74/263](#), covers the period from 1 September 2019 to 31 August 2020 and provides details on the financial status of the project as at the end of July 2020 and an update on the activities undertaken since the sixth annual progress report of the Secretary-General ([A/74/452](#)).

II. Project governance and oversight

3. In section II of his report, the Secretary-General provides an update on project governance, including information on the meetings of the Advisory Board and the project Steering Committee and on the audit conducted by the Board of Auditors during the reporting period, which included visits to the United Nations Office at Geneva from 22 July to 1 August 2019, from 28 October to 15 November 2019 and from 13 to 31 January 2020 and to United Nations Headquarters from 24 to 27 September 2019. In its report ([A/75/135](#)), the Board indicates that, based on the responses given by the Secretariat in January 2020, of the 22 recommendations made in its previous reports ([A/74/5 \(Vol. I\)](#), [A/73/157](#), [A/72/5 \(Vol. I\)](#) and [A/72/5 \(Vol. I\)/Corr.1](#)), 14 (64 per cent)



had been implemented, 6 (27 per cent) were under implementation and 2 (9 per cent) had been overtaken by events. Annex II to the Board's report provides a more detailed summary of the action taken in response to those recommendations.

4. In its report, the Board makes 13 main recommendations relating to a broad range of areas, including project governance (2); the contracting strategy for the renovation work (1); project scheduling (1); building information modelling (3); energy savings (1); flexible workplace strategies (2); the number of fire exits in the new permanent building H (1); sustainability (1); and potential alternative sources of funding (1). Annex III to the report of the Secretary-General provides details on the implementation status of those recommendations, indicating that 3 have been implemented and 10 are under implementation. **The Advisory Committee trusts that the recommendations issued by the Board will be implemented fully and expeditiously.**

III. Progress of the project

A. Project status, schedule and costs

5. A summary of the status of activities is provided in paragraphs 11 to 17, with further details in paragraphs 18 to 43, of the seventh progress report. The key activities reported include: (a) the completion of the structural works of the new permanent building H and progress on the façade, as well as advances in masonry, waterproofing, partition, mechanical, electrical, plumbing and finishing works on the majority of the floors; (b) the finalization of the tender and the signing of the contract for the renovation of the 1930s historic buildings, which will result in a guaranteed maximum price proposal from the contractor at the end of a six-month pre-construction services phase; (c) progress in the implementation of the early action works section to enable the renovation works to commence swiftly, including the temporary site installation buildings, as well as further detailed surveys related to the mechanical, electrical and plumbing services and initial furniture and staff moves in advance of the renovation works; (d) the awarding of a contract for the temporary conference building, which was completed in July 2020 and commissioned in August 2020; (e) the awarding of contracts for the new furniture for building H and for those areas of the Palais des Nations where there is no existing furniture that can economically be reused to facilitate the full implementation of flexible workplace strategies; (f) the issuance of a request for information seeking the views of potential contractors on the procurement and contracting strategy being formulated by the United Nations for the tender of the renovation of building E, similar to that for the historical buildings of the Palais des Nations; (g) the refinement and optimization of the phasing strategy and the updating of the logistical plans required for staff moves to and from the swing space created within the new building H, and between the existing buildings at each stage of the renovation, to take into account the impact of new regulations to combat the coronavirus disease (COVID-19) pandemic; and (h) the completion of a detailed handover procedure for all completed sections of work, beginning with the recently completed temporary conference building ([A/75/355](#), para. 11).

6. In his report, the Secretary-General indicates that, notwithstanding the progress made, the project schedule has slipped and that the next key project milestones are as follows: (a) the new building H will be delivered in early 2021, compared with the second quarter of 2020 indicated previously; and (b) the renovation works are now foreseen to start later in 2020, rather than in the second quarter of 2020. According to the Secretary-General, the delays are mainly due to the impact of the COVID-19 pandemic, including: (a) the suspension of work on the new permanent building H in March and its resumption on 29 April 2020, but with reduced staffing, limited productivity and disruptions to the contractor's supply chain, resulting in slow

progress; (b) the interruption of the construction of the temporary conference building from 20 March to 8 May 2020 owing to travel, border and quarantine restrictions preventing the contractors' workforces from returning to the site; (c) delays during the pre-construction services phase owing, inter alia, to supply chain disruptions; and (d) increased health, safety, sanitary and social distancing restrictions put in place at all construction sites for the foreseeable future and higher costs for additional overtime working hours, overhead, equipment and facilities (ibid., para. 12).

7. It is also indicated in the report that the forecast completion date may still change significantly owing to the overall impact of the COVID-19 pandemic on the construction market and on the associated safety regulations, which continue to evolve and remain subject to a high degree of uncertainty. The pre-construction period has been extended by four months, but the impact on the project schedule is expected to be contained to two months (ibid., paras. 13 and 14).

8. The Advisory Committee recalls that in his fifth annual progress report, in 2018, the Secretary-General envisaged a completion of the project, in line with the overall schedule, by the end of 2023, and within the approved budget envelope of CHF 836.5 million (A/73/395, paras. 13, 56 and 57). In his sixth annual progress report on the strategic heritage plan, in 2019, the Secretary-General indicated that the scheduled project completion date had slipped by six months owing to the addition of a six-month pre-construction services phase to the contract for the renovation of the 1930s historic buildings to reduce risks resulting from the limited market response, and that additional mitigation actions were being taken to ensure that the project remained within the approved budget envelope (A/74/452, paras. 14 and 48). Upon enquiry, the Board of Auditors informed the Committee that during its last audit visit to the United Nations Office at Geneva shortly before the onset of the COVID-19 pandemic, it had been informed that the works would be completed in August 2024, implying a slippage of some eight months compared with the original project schedule. In his current report, the Secretary-General stresses that the completion of the renovation of building E is expected by early 2025, and the warranty closeout period following the completion of works to reflect activities of post-completion assessments and post-occupancy evaluations, release of retention, seasonal commissioning of building services and other quality and financial related closeout activities will occur during 2025 and early 2026 (A/75/355, para. 50). **The Advisory Committee is of the view that the end date of the project is subject to consideration and approval by the General Assembly.**

9. **The Advisory Committee notes the progress that has been made and the completion of some of the project activities during the reporting period. While recognizing the challenges related to the impact of COVID-19, the Committee recalls that the project started suffering delays and cost escalation before the onset of the pandemic (see also para. 8 above). The Committee is concerned by the additional delays to the overall project schedule, including that the new building H will be delivered in early 2021 rather than in the second quarter of 2020 as indicated previously, and that the renovation works are now foreseen to start later in 2020 instead of in the second quarter of 2020 (see paras. 6, 7 and 8 above).**

10. A list of programme and project risks that currently rank the highest, based on their likelihood and potential impact, is provided in paragraph 46 of the report of the Secretary-General. These include such risks as the impact of contractor claims and governmental restrictions related to the COVID-19 pandemic, the potential for the guaranteed maximum price of the renovation contract to vary significantly from the estimated cost, or to be delayed, and uncertainty as to the price to be obtained from the market through the upcoming procurement process for the renovation of building E. In its report, the Board of Auditors noted that three of the top risks identified by the independent risk management firm related to the guaranteed maximum price and contractual terms in the contract for the renovation of the historic buildings to be

agreed upon at the end of the pre-construction services. The Board's report provides detailed information on the contracting strategy and open-book approach applied for the renovation of the historical buildings, and also discusses the related risks extensively (A/75/135, paras. 87–101). The Board highlights the risk that the negotiations between the United Nations and the contractor may fail or take longer than planned or may result in an agreement that has negative effects on the scope, the time schedule and/or the costs of the project, and stresses the need for strategies to mitigate that risk (ibid., paras. 57–64).

11. The projected summary cost plan for the strategic heritage plan from 2014 to 2026 is set out in table 2 of the report of the Secretary-General. Details of the main changes to the cost plan since the previous progress report (A/74/452) and since the start of the project in 2014 have been included in the supplementary information provided to the Advisory Committee. Compared with the sixth progress report, the main changes include: (a) an increase of CHF 3.1 million for the construction of the new building H, from CHF 118.5 million to CHF 121.6 million, owing mainly to unforeseen changes to the interior layout as a result of the COVID-19 pandemic, additional landscaping revisions and various changes to the internal architecture and mechanical, electrical and plumbing works; (b) an estimated increase of CHF 39.5 million for renovation works on existing buildings A, B, C, D, E and S, from CHF 409.8 million to CHF 449.3 million, owing mainly to the incorporation of provisions for costs related to COVID-19 and the inclusion of costs for moving expenses, partitions, fixed furnishings, fittings and equipment within the renovation works contract, which had previously been planned as associated costs; and (c) an estimated increase of CHF 10.0 million, from CHF 143.9 million to CHF 153.9 million, for the forecasted consultancy services and project management costs, owing mainly to the extension to the project schedule related to the pre-construction services phase.

12. As indicated in the report of the Secretary-General, the updated cost estimate for the core costs of the project (costs excluding contingencies) stands at CHF 820,913,000, which is CHF 22,496,000 higher than forecast in the previous annual progress report (CHF 798,417,000). According to the Secretary-General, this increase is caused primarily by the impact of the COVID-19 pandemic, for which the preliminary estimate of a cost increase ranges from CHF 19.5 million to CHF 36.1 million. The increase would be offset in part by a reduction in the projection for escalation allowances for future periods (from CHF 19,584 in 2019 to CHF 9,499 in 2020) as a result of contracting the historic building renovation works at current market prices in the present reporting period (A/75/355, para. 55). In addition, table 2 of the report of the Secretary-General shows that the updated estimate of CHF 820,913,000 for core costs of the strategic heritage plan against the approved overall budget of CHF 836,500,000 leaves an amount of CHF 15,241,000 for contingency and CHF 346,000 for escalation on contingencies (see also paras. 22 and 23 below).

13. The report of the Secretary-General indicates that the cost plan continues to be based on the approved maximum budget of CHF 836.5 million, since all the currently forecast costs up to completion remain within that approved maximum budget. However, the approved maximum budget is now very unlikely to be sufficient to achieve the full approved project scope as currently designed, and the high degree of uncertainty with regard to the eventual cost impacts of COVID-19 makes it difficult to forecast the total shortfall precisely (ibid., para. 54).

14. It is further indicated in the report of the Secretary-General that the Secretariat continues to conduct value engineering to meet the approved project scope objectives at a lower cost. Project risks continue to be extensively reviewed and analysed, and appropriate mitigation strategies continue to be developed and implemented (ibid., paras. 14–16). Details on the mitigation strategies are discussed in paragraphs 69 to 72 of the report of the Secretary-General. The Secretary-General states that he intends

to identify, prioritize and implement sufficient value engineering solutions to meet the approved project budget, and proposes criteria to prioritize the options, including the scaling down of planned interventions while leaving open the possibility of completing them at a later date. The Secretary-General further stresses that the timing of decisions concerning potential value engineering measures is critical to ensure that technical feasibility studies can be conducted in time to assess whether the estimated savings can actually be realized under the prioritized options while fully respecting building and safety code requirements. In addition, in order to mitigate the risk of cost overruns, the Secretary-General indicates that he may, if and when necessary, propose reductions in scope for consideration and approval by the General Assembly. Upon enquiry, the Advisory Committee was informed that examples of measures under consideration included the removal of the planned extension work to the seating area of the cafeteria in building A and alternative design solutions for roof lights, floor coverings and other elements for which the same functionality may be achievable at a lower cost.

15. The Advisory Committee reiterates the need for rigorous project management and close monitoring of the areas of risk and vulnerability. It also emphasizes once again the important roles and responsibilities of the project owner and of the Steering Committee in guiding and overseeing the management of the implementation of the project, facilitating decision-making and the prompt resolution of issues and ensuring the project's progress within the established timeline and budget (see also [A/72/7/Add.25](#), para. 11, [A/73/576](#) para. 9, and [A/74/7/Add.13](#), para. 9).

16. The Advisory Committee recommends that the General Assembly request the Secretary-General to provide, in his next progress report, further details on mitigation strategies and measures to complete construction in a timely manner within the overall resources approved for the strategic heritage plan project by the Assembly in its resolution [70/238 B](#), as well as an analysis of the implications of those strategies and measures on the overall objectives and scope of the strategic heritage plan project.

B. Building information modelling

17. Information on the building information modelling method is provided in paragraphs 107 to 143 of the report of the Board of Auditors ([A/75/135](#)). As indicated, the method uses digital building models in the design, engineering, construction and operation of built facilities through the entire life cycle of a built facility, starting from the early conceptual design and detailed design phase to the construction phase and the longer phase of operation. The model allows a project team to create a shared project with integrated information and provides a seamless link between the project owner, designers, construction professionals, contractor and end users of a construction project.

18. The Board indicates that the requirement to implement the building information modelling method into the strategic heritage plan project was included in the contracts signed between the United Nations Office at Geneva and the design firm in 2014 and the construction firm in September 2017. Building information modelling has therefore been used in the strategic heritage plan project for almost five years. The Board notes, however, that the United Nations Office at Geneva has not yet defined which benefits could be achieved by maintaining the building information model beyond the construction phase of the project for operational and maintenance issues, or carried out an assessment of personnel and additional costs needed to maintain the model after the handover of the strategic heritage plan project. The Board also notes that the phase of building operation and maintenance has already started, given that two sections of the new permanent building H were handed over by the strategic heritage plan team in 2019, and that the building itself is expected to be handed over in 2020. The Board makes

several recommendations aimed at ensuring the application and use of high-quality building information models for all the phases of the strategic heritage plan project.

19. Upon enquiry, the Board provided further information on the building information modelling method to the Advisory Committee, including that the method is a common practice for the design, construction, operation and maintenance of buildings, and requires special knowledge. **The Advisory Committee stresses the need to build internal capacity within existing resources to manage the strategic heritage plan building information modelling in the long term, and trusts that the Secretary-General will provide further information in his next progress report.**

C. Sustainability and reduction of energy consumption

20. With regard to sustainability and reduction of energy consumption, the Secretary-General indicates in his report that one of the core objectives of the strategic heritage plan is to lower the energy consumption of the Palais des Nations by at least 25 per cent, compared with the 2010 baseline (A/75/355, para. 33). The Board of Auditors recommended that the baseline be updated to the date of approval of the scope of the strategic heritage plan by the General Assembly in December 2015 (A/73/157, para. 259). The Secretary-General notes that the replacement of most of the windows prior to the start of the strategic heritage plan construction and renovation works contributed greatly to the achievement of that objective. He indicates that an alternative calculation methodology has been developed and shared with the Board to determine the remaining improvements required to achieve the original 25 per cent increase against the 2010 baseline during the period between the approval (2015) and completion of the scope of the strategic heritage plan. He further states that the baseline energy consumption has been adjusted to take into account only the main buildings of the Palais des Nations, and not the Giuseppe Motta and Palais Wilson buildings, even though their current occupants will be relocated to the Palais des Nations compound at the end of the project, resulting in an increase in the overall energy savings relative to the 2010 target of 25 per cent (A/75/355, para. 33).

21. **Given that sustainability and reduction of energy consumption are among the key objectives of the strategic heritage plan, the Advisory Committee considers it important to provide the General Assembly with comprehensive information on energy savings, in terms of both usage/consumption and costs of utilities. Such information should be based on accurate, reliable and comparable data collected at the start of the project to establish the baseline against which actual data recorded after completion of the strategic heritage plan can be measured to determine energy savings realized. The Committee recommends that the Assembly request the Secretary-General to ensure that relevant baseline data on energy consumption and costs is collected at the start of the project, which will allow accurate comparisons in the future.**

IV. Project financing

A. Host country loan agreement

22. In his report, the Secretary-General states that the interest-free loan package of CHF 400 million provided by the Government of Switzerland was forecast to be assigned to the new building and renovation works at the estimated amounts of CHF 125.1 million and CHF 274.9 million, respectively, but that the final assignment values of the loan can only be determined once the actual costs for the new permanent building H are known, upon project completion. In accordance with the loan agreement,

any remaining balance from the portion of the loan for the new building will be applied to the renovation of the existing buildings at that stage, if applicable. With regard to the repayment of the loan, the Secretary-General indicates that, according to the latest project schedule, the 50-year loan repayment for the loan portion applied to the new building H will now begin on 31 December 2021, given that the estimated handover date has slipped from 2020 to 2021 since the sixth progress report. The repayment of the renovation portion of the loan will start at the end of December in the year of the handover of the renovated historic buildings (A/75/355, paras. 60 and 61). **The Advisory Committee reiterates its appreciation for the continued support offered by the Government of Switzerland for the strategic heritage plan.**

B. Contingency management

23. It is indicated in the report that contingency management for the project continues to be based on the risk-based contingency forecasts provided by the independent risk management firm (*ibid.*, para. 63). The most recent risk model projects a risk exposure at the P80 confidence level of CHF 69.2 million (CHF 71.6 million, including escalation), reflecting a decrease of CHF 0.1 million, including escalation, compared with the sixth annual progress report. However, the available contingency, representing the difference between the CHF 836.5 million project envelope and the latest forecast of project core costs, including escalation amounts to 15.6 million for the period 2020–2026 (see para. 8 above). According to the risk model, at this level of available contingency and in the absence of any further mitigating actions, there is a 4 per cent probability that the approved project envelope will be sufficient to cover the project costs (*ibid.*, para. 65). Upon enquiry, the Board of Auditors informed the Advisory Committee that the quarterly risk management assessment of July 2020 indicated that the probability of completing the project within the approved budget had slipped further downward, to 2 per cent. The Board further informed the Committee that, in its view, the project had reached a stage where either the scope of the project had to be reduced or the approved strategic heritage plan budget of CHF 836,500,000 had to be increased by the General Assembly. **The Advisory Committee notes the views of the Board of Auditors.**

24. **The Advisory Committee is concerned that the confidence level of completing the strategic heritage plan within the approved budget as projected in the most recent risk model has fallen to 2 per cent and stresses the need for additional mitigating strategies (see also para. 13 above). The Committee recommends that the General Assembly request the Secretary-General to provide comprehensive information in his next progress report on the measures taken to address this situation.**

C. Scheme and currency of appropriation and assessment and multi-year special account

25. The General Assembly, in its resolution 74/263, decided to revert to the establishment of an assessment scheme and currency of appropriation and assessment and the multi-year special account for the strategic heritage plan at the main part of its seventy-fifth session, and requested the Secretary-General to provide updated detailed information on these issues in his next report. In his report, the Secretary-General indicates that the three possible schemes of appropriation and assessment for the project (a one-time up-front appropriation and assessment, multi-year appropriations and assessments or a one-time up-front appropriation with a mix of one-time and multi-year assessments), as well as two options for the currency of appropriation and assessment (United States dollars or Swiss francs), which were presented in his

previous reports, remain valid (A/75/355, para. 78). As requested by the Assembly, updated charts of those options and detailed information on the choice of scheme and currency of assessment are presented in annex II to the report of the Secretary-General.

26. The Secretary-General continues to propose that the accounting of the project be undertaken through a multi-year special account, funded through appropriations and assessments separate from the programme budget. In the report, he states that, should the General Assembly decide on appropriations and assessments in Swiss francs, the establishment of a multi-year special account separate from the programme budget would be required. The Secretary-General further indicates that the multi-year special account would be closed after the financial and administrative closeout of the project, assuming that assessments would have been paid in full by all Member States (ibid., paras. 81–83).

27. The Advisory Committee reiterates its view that the options mentioned above on the scheme and currency of appropriation and on the multi-year special account and assessment constitute policy matters to be decided upon by the General Assembly (A/72/7/Add.25, para. 27, A/73/576, para. 35, and A/74/7/Add.13, para. 23).

D. Update on alternative funding opportunities

28. In his report, the Secretary-General indicates that the United Nations Office at Geneva remains proactive in its efforts to solicit donors to contribute towards the financing of the construction and renovation work at the Palais des Nations (A/75/355, para. 84). **The Advisory Committee reiterates its recommendations that the General Assembly request the Secretary-General to ensure that clear information is provided to potential donors on the scope of the strategic heritage plan project for which their contributions are being solicited, including on the amounts that will effectively be applied to reduce Member States' assessed contributions to the strategic heritage plan project.**

V. Other related considerations

A. Valorization of United Nations-owned land in Geneva

29. The Advisory Committee recalls that, in its resolution 74/263, the General Assembly encouraged the Secretary-General to continue his efforts in maximizing the long-term generation of income through long-term, community-oriented leasing arrangements for United Nations-owned land in Geneva, and requested the Secretary-General to present detailed plans on the valorization strategy and preparatory works, including the scope, duration and resource requirements for the preparatory works, for the consideration of the Assembly as early as practicable.

30. The Board of Auditors notes that the reports, requests and supplementary information on valorization to the General Assembly, the Fifth Committee and the Advisory Committee differ partially in scope, detail and wording. The Board recommends that the United Nations Office at Geneva summarize all relevant information on valorization, including the supplementary information, in a structured, concise and coherent document that can be updated and used to confidentially inform the Assembly and other stakeholders (A/75/135, paras. 228–236).

31. The Secretary-General indicates that the approach to the valorization and development of other land and assets owned by the Organization in Geneva continues to be developed and refined during the reporting period, and that a single

comprehensive valorization strategy, including the scope, duration and resource requirements for the preparatory works, is presented in annex IV to his report. The strategy is outlined in paragraph 8 of annex IV and involves the following steps: (a) recruit a valorization programme manager at the P-4 level and continue the work of the dedicated specialized consultancy team; (b) conduct detailed studies and surveys to estimate risks and increase valorization potential; (c) conduct urban planning and legal assessments to assess whether and how to group plots into packages to maximize income generating potential; (d) conduct any necessary preparatory works to prepare the prioritized sites for development; and (e) pursue opportunities for community-oriented lease agreements. Section III of annex IV contains a range of income and expenditure projections based on options for a lump sum lease payment or annual lease payments over a 90-year period, ranging from CHF 63.6 million to CHF 116.5 million for the lump-sum option and from CHF 171.4 million to CHF 378.4 million for the annual lease option.

32. In section IV of annex IV, the Secretary-General proposes two phases for the preparatory works and related resource requirements as follows: (a) a first phase, to be conducted in 2020 and 2021, which would include detailed studies (CHF 500,000) and urban planning consultancy and legal work (CHF 1,700,000); and (b) a second phase, to be conducted between 2023 and 2026, subject to completion of the first phase, that would include demolition (CHF 1.0 million) and the replacement and/or relocation of premises (CHF 12.6 to 20.1 million). The Secretary-General also proposes the establishment of a post of Programme Manager at the P-4 level, to manage the implementation of valorization activities, and associated project management costs, of CHF 300,000 per year.

33. **The Advisory Committee notes the efforts made to present an updated valorization strategy; however, it considers that the strategy needs to reflect, inter alia, the full and long-term impact of the COVID-19 pandemic, the flexible working arrangements, potential changes in planned occupancy and the use of building information modelling. The Committee, therefore, recommends against the authorization of the costs for the preparatory works of the valorization strategy in the amount of CHF 2,800,000 for 2021 and 2022 (\$1,300,000 total for 2021), to be funded from income section 2 of the programme budget for 2021, and the corresponding reduction in total income estimates in income Section 2 from \$19,265,100 to \$17,965,100 (A/75/355, paras. 108 (e) and (f)). The Committee further recommends that the General Assembly request the Secretary General to present a refined valorization strategy and the related cost implications in the context of the next progress report.**

B. Maintenance considerations

34. The Advisory Committee considers that major renovation projects such as the strategic heritage plan provide an opportunity to review building maintenance and operations with a view to, inter alia, clarifying overall requirements, optimizing maintenance approaches and practices, assessing the balance between outsourcing and the in-house provision of maintenance and ensuring the cost-effective use of resources. **The Advisory Committee recommends that the General Assembly request the Secretary-General to review maintenance arrangements and to include further information on post-strategic heritage plan maintenance considerations in his future progress reports.**

C. Out of scope projects

Day-care centre

35. In annex IV to his report, the Secretary-General indicates that in response to the requests by the General Assembly (resolutions [71/272 A](#), sect. XVIII, para. 23, and [72/262 A](#), sect. XVI, para. 13), he is pursuing opportunities for long-term community-oriented leasing arrangements for the valorization of United Nations land (see paras. 29–33 above). One such opportunity, which is still at the early feasibility stage, involves the establishment of a day-care facility on the grounds of the Palais des Nations to benefit, among others, the staff of international organizations and permanent missions in Geneva, and potentially the local residents of the international quarter. The concept involves the realignment of the security perimeter of the Palais to exclude a plot of land on which the World Intellectual Property Organization (WIPO) would construct a day-care facility under a long-term lease agreement. The Director-General of the United Nations Office at Geneva has agreed with her counterpart at WIPO to explore options for the establishment of such a day-care facility on the grounds of the Palais des Nations. **The Advisory Committee trusts that updated information will be provided in the context of the next progress report.**

New visitors' centre

36. The report of the Secretary-General indicates that the United Nations Office at Geneva is continuing to work with a private not-for-profit foundation on the in-kind donation of a new visitors' centre of approximately 3,000 m² within the Palais des Nations grounds, with its entrance opposite the Place des Nations. As previously reported, a framework agreement was signed with the donor in 2019 for the financing and construction of the Centre. The report provides details on the architectural design and some information on the conceptual planning of the content to be displayed in the new visitors' centre as well on the proposed hybrid operating model ([A/75/355](#), paras. 88–93). It is indicated that to address the long-term upkeep and maintenance of the facility, the donor has agreed to provide funds of CHF 1.5 million (approximately 8.4 per cent of the value of the building) for major upkeep and CHF 2.0 million for operational support. The Secretary-General indicates that while the in-kind donation has the potential to significantly subsidize the cost of activities that would otherwise have been borne by the United Nations, the new facility may entail additional financial liability for the Organization in the future, and is therefore requesting approval of the in-kind donation by the General Assembly, in accordance with financial regulation 103.4. **While noting that the proposed new visitors' centre is outside the approved scope of the strategic heritage plan project, the Advisory Committee welcomes the proposed donation. The Committee recommends that the General Assembly approve the proposed in-kind donation towards a new visitors' centre at the Palais des Nations.**

Security master plan

37. The report of the Secretary-General indicates that a security master plan is being developed in close liaison with the Department of Safety and Security. It has been determined that the security provisions initially envisaged in the scope of the strategic heritage plan remain valid, with some relatively minor changes made to bring the design of the project fully in line with the updated security master plan that do not have an adverse impact on the cost or schedule of the plan. Furthermore, during the reporting period, the host country announced an in-kind donation to reinforce the most vulnerable section of the external security perimeter fence of the Palais des Nations compound and that detailed discussions on the implementation arrangements are under way (*ibid.*, paras. 98–100). **The Advisory Committee trusts that the**

Secretary-General will provide further details on the updated security plan and implementation arrangements in his next progress report.

Expansion of Geneva's main train station and track infrastructure

38. In his previous progress report (A/74/452), the Secretary-General indicated that the United Nations Office at Geneva had signed a tripartite framework agreement with the City of Geneva and the Swiss Federal Railways allowing further development of the infrastructure project of the Swiss Federal Railways to extend the capacity of Geneva's main train station. In his current report, the Secretary-General indicates that the United Nations Office at Geneva has been working, through the host country authorities, with the Swiss Federal Railways, and in coordination with United Nations Headquarters, on the drafting of a more specific agreement that will ensure that all aspects of the projects are identified and clarified. It is further indicated in the report that the types of compensation envisaged include: (a) financial compensation for land ceded permanently; and (b) in-kind compensation for land used temporarily during the expansion works (A/75/355, paras. 101 and 102). Further details on the terms of the draft agreement are provided in paragraphs 103 and 104 of the report of the Secretary-General. **The Advisory Committee recommends that the General Assembly request the Secretary-General to include, in his next progress report, further details on the types of compensation envisaged as well as any other implications of the Swiss Federal Railways infrastructure project for the United Nations.**

39. **The Advisory Committee further recommends that the General Assembly request the Secretary-General to include, as a matter of routine for the non-strategic heritage plan projects (the United Nations Office at Geneva-WIPO day-care centre, the new visitors' centre, the security master plan, the expansion of Geneva's main train station and track infrastructure), information on the management/operations of all non-strategic heritage plan projects/initiatives in the future, and any cost implications for the United Nations.**

VI. Conclusions and recommendations

40. The actions to be taken by the General Assembly are set out in paragraph 108 of the report of the Secretary-General. **Subject to its observations and recommendations above, the Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General.**