



# General Assembly

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### Proposed programme budget for 2022

## **Seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific premises in Bangkok**

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

#### *Summary*

The fifth progress report on the seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific premises in Bangkok is submitted pursuant to section XII of General Assembly resolution [75/253 A](#).

The report provides an update on progress made on the project since the previous report of the Secretary-General ([A/75/235](#)) and outlines the activities undertaken, including key procurement activities, change management and business readiness, the construction of on-site swing space facilities and the moving of occupants prior to the start of construction.

During the reporting period, significant progress has been made in the procurement of several key contracts required to commence the construction phase of the project, including the general construction contract. Despite some initial challenges and delays, partly resulting from the impact of the coronavirus disease (COVID-19) pandemic, the project has made remarkable progress, especially in the areas of procurement and business readiness. While still subject to risks, the project remains on track, with construction estimated to be completed in 2023 as a result of adjusted measures, and within the overall approved maximum cost of \$40,019,000.

The General Assembly is requested to take note of the report and to appropriate an amount of \$6,965,200 for 2022.

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\* [A/76/150](#).



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## I. Introduction

1. The present report is the fifth progress report on the seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific (ESCAP) premises in Bangkok, which was approved by the General Assembly in section IV of its resolution [71/272 A](#).
2. The project continues to be implemented in accordance with the project objectives mandated by the General Assembly. The present report provides an update on progress made towards achieving those objectives, and on action taken to respond to the requests of the Assembly in its resolution [75/253 A](#) and the recommendations of the Advisory Committee on Administrative and Budgetary Questions, as endorsed by the Assembly, including with regard to the following: the continued engagement with member States to seek both voluntary and in-kind contributions, and the ongoing support of the host Government; good governance, effective oversight, transparency and accountability; compliance with relevant building standards and best practices for persons with disabilities; risk management to ensure that the delivery of the project remains within the scope, budget and timeline approved by the Assembly; occupational safety and health measures, including those related to the coronavirus disease (COVID-19) pandemic; the outcome of the second survey on hazardous materials; future rental income; and best practices and lessons learned from other capital projects.
3. The present report also provides a revised project schedule, reflecting adjustments to the start of construction owing to procurement setbacks and some delays due to the impact of the COVID-19 pandemic, while still maintaining the overall project completion date at the end of 2023. It describes the outcome of the new multistage procurement process used in the rebidding for the contract for the general construction works, and the positive outcomes of this best practice from other capital projects, which has led to a significantly higher number of viable bid proposals from the construction market than during the previous, unsuccessful bidding process.
4. The significant progress made on the procurement of other key contracts for the provision of construction administration services, for furniture and accessories and for moving and storage services is also covered in the report, as is the successful award of a contract to conduct the second hazardous materials survey at the ESCAP premises before the start of the main works. An updated cost plan, showing the revised distribution of construction costs in accordance with the adjusted timeline, while staying within the overall approved budget, is also included.
5. While the project remains subject to risks, the ESCAP project team – with the support of the Global Asset Management Policy Service at United Nations Headquarters and of independent risk management consultants – considers it feasible to mitigate those risks. Additionally, the implementation of an accelerated construction schedule to stay within the approved project duration and continuous value engineering exercises throughout the duration of the project will help manage any cost overruns. While the Secretary-General remains committed to completing the project within allocated budgetary resources and the approved duration, ESCAP will continue to closely monitor developments relating to the COVID-19 pandemic in Thailand and its potential impacts, including delays to project activities. The project budget remains at \$40.019 million, inclusive of a provision of \$3.194 million for contingencies.

## II. Project objectives and benefits

### A. Project objectives

6. The main purpose of the proposed seismic mitigation retrofit and life-cycle replacements project is to take life safety measures for staff, delegates and visitors at the Commission's premises in Bangkok. The key project objectives were established at the inception of the project and approved by the General Assembly in its resolution [71/272 A](#), and remain unchanged. They are aligned with the project objectives contained in the report to the Secretary-General on the strategic capital review ([A/68/733](#)), including meeting industry norms related to health and safety issues, meeting industry norms relative to facilities preparedness and design against potential natural disasters and emergency situations, ensuring compliance with all relevant regulations related to persons with disabilities, ensuring that hazardous materials are removed from facilities, improving space usage efficiency, modernizing outdated major building systems, moving towards more energy-efficient facilities and ensuring business continuity throughout project implementation.

7. Owing to the COVID-19 pandemic, the health and safety of staff, visitors and other personnel working on the project has been accorded elevated importance. The related health and safety measures will be monitored and adjusted as the impact of the pandemic continues to evolve.

### B. Project benefits

8. Throughout the planning and design phases, the project team has worked diligently to meet the project objectives and develop a final design that will deliver the project benefits as detailed below:

(a) The value of United Nations capital assets (secretariat and service buildings) will be maintained through timely intervention to upgrade major building systems that have reached or will reach the end of their useful lives before or during the project time frame;

(b) The health and safety of occupants, delegates and visitors to the ESCAP premises will be achieved through the retrofit of structural and non-structural elements in the secretariat and service buildings to meet seismic code compliance and life safety performance objectives in the event of an earthquake;

(c) Building regulations related to fire and life safety will be complied with to ensure adequate fire rating and protection for the buildings and their occupants;

(d) The removal of hazardous materials, including any asbestos-containing materials from areas affected by the construction works, will result in a safer environment for all;

(e) A 16 to 18 per cent increase in energy efficiency and reduced long-term maintenance costs are expected to be achieved through the implementation of an upgraded mechanical and electrical system and complete facade replacement;

(f) A 20 per cent increase in space efficiency will support better utilization of the secretariat office space;

(g) An accessible and inclusive secretariat building for persons with disabilities will be achieved through modifications to the built environment, the inclusion of accessible bathrooms on the ground floor of the secretariat building, a revised and more accessible pedestrian entrance into the secretariat building and the

use of select interior finishes and ergonomic furniture solutions and supporting technology;

(h) Sustainable practices in design, construction and selection of materials and finishes will help reduce the long-term environmental impact of ESCAP and promote a culture of environmental responsibility;

(i) Improvements to the well-being of occupants will result from increased access to natural light for all, improved air quality and better climate control owing to the upgraded heating, ventilation and air conditioning system and the use of ergonomic furniture.

### **III. Project governance, management and accountability**

#### **A. Project governance**

9. In accordance with the established governance structure, the Executive Secretary of ESCAP serves as the project owner and has assigned the Director of Administration to serve as Project Executive. The day-to-day management of the project is under the leadership of the dedicated Project Manager.

##### **Stakeholders committee**

10. During the present reporting period, the stakeholders committee has met four times, in October and December 2020 and March and June 2021. Owing to the ongoing COVID-19 pandemic, these meetings took place virtually. In addition to formal quarterly meetings, the project has continued to engage with its stakeholders through several other forums, including at the senior management team meetings attended by directors of the ESCAP substantive divisions and at the regular meetings with the heads of the United Nations agencies, funds and programmes located at the ESCAP premises, which are also affected by the project. The project has also continued to engage with an informal network of all the staff council representatives within the premises to ensure that staff concerns and suggestions are heard. The project is also continuing to leverage other existing stakeholder networks, such as the ESCAP Innovation Task Force, the ESCAP Accessibility Working Group and the ESCAP Occupational Safety and Health Committee.

##### **Coordination and oversight by the Global Asset Management Policy Service**

11. In line with the terms of the project coordination agreement, signed in 2017, the close coordination between the Global Asset Management Policy Service at United Nations Headquarters and the dedicated project management team has continued throughout the reporting period. The two teams hold fortnightly meetings, with a project coordinator embedded in the Service acting as the key focal point between the project team in Bangkok and various entities at Headquarters, as well as capital projects at other locations. The Service continues to be actively involved in overseeing the project, with an emphasis on risk management and alignment with lessons learned.

12. In 2020, when ESCAP conducted the procurement of five key contracts in support of the project, the Service was represented on the technical evaluation committees for various tenders and was the primary interlocutor between the project team and the Procurement Division at United Nations Headquarters. The Service has also facilitated the sharing between ESCAP and the Procurement Division of lessons learned and best practices from recent procurement actions as part of capital projects

at other locations, including the strategic heritage plan of the United Nations Office at Geneva and the renovation of Africa Hall in Addis Ababa.

13. The Service is supported by an international professional firm specializing in independent risk management services for the project. Quarterly risk assessment touchpoint meetings were held between the Service, the risk management firm and the ESCAP project team, resulting in the issuance of the biannual independent risk management reports to the project owner. The independent risk management firm holds an annual risk management workshop to gather and conduct a Monte Carlo analysis of data from the project's estimated costs and risk register to understand the potential impact that these risks could have on the overall project schedule and cost plan. Further details on risk management are described in section IV below.

## **B. Project management**

14. Of the 11 approved project temporary positions, 7 are presently encumbered. One position (Administrative and Finance Assistant (Local level)) is under recruitment after the previous incumbent left the project. Two other positions, approved by the General Assembly in its resolution [74/263](#) (Safety Project Officer and Security Officer (both Local level)), are also under recruitment and the successful candidates are expected to be on board in time for the start of construction in the third quarter of 2021. Upon further review of the staffing requirements for the project, one of the two approved Information Technology Assistant positions has been deemed unnecessary at present, hence no recruitment action has been taken for that position.

15. One project position (Civil and Structural Engineer (P-3)) expired on 30 June 2020 and no further extension was sought. One position (Procurement Officer (P-3)), which was previously extended for a period of 12 months through the end of 2021 owing to the delays in procuring the general construction contract, as well as projected delays in key procurement activities resulting from the COVID-19 pandemic, is due to expire at the end of 2021. No further requests are being made to extend the funding for this position beyond the end of 2021.

16. The position of the Building Mechanical, Electrical and Plumbing Service Engineer (National Professional Officer level), which was due to expire on 30 June 2021, is being extended for an additional six months through the end of 2021 to provide key support related to the onboarding of the general construction contractor and the construction administration firm, prior to the start of the main works. This engineer is critical in terms of mitigating any project risks related to delays in the review of technical documents and transferring project knowledge during the pre-construction and onboarding phases. This extension through the end of 2021 will be covered within available funds including savings from vacant positions, with no increase in the overall project management budget.

## **C. Project accountability**

17. The General Assembly, in its resolution [71/272 A](#) (sect. IV, para. 13), requested the Secretary-General to entrust the Office of Internal Oversight Services (OIOS) with providing oversight of the project and to include information on key findings in the context of the annual reports of OIOS on its activities. However, owing to the worsening COVID-19 pandemic, the fourth audit of the project, which OIOS had initiated in March 2020, was deferred and combined with the field audit in early 2021. As at 31 December 2020, there were no pending recommendations from previous audits to be implemented by ESCAP.

18. The fifth annual audit of the project covered the period from March 2019 to February 2021. The audit was conducted remotely in February and March 2021, and areas covered included project governance and oversight, project management and contract management. OIOS published its final report in June 2021, and made four recommendations, which ESCAP has accepted, as follows:

(a) Amend the contract with the lead consulting firm of the seismic mitigation retrofit and life-cycle replacements project to remove construction administration services once the new contract to deliver those services has been awarded;

(b) Develop a resource mobilization strategy for the seismic mitigation retrofit and life-cycle replacements project that scales up its efforts to raise voluntary contributions and improves the likelihood of better outcomes than in prior years;

(c) Enhance risk mitigation strategies, with support from the Department of Management Strategy, Policy and Compliance, for the seismic mitigation retrofit and life-cycle replacements project to address potential budget overruns arising from risks such as exchange rate differences and delayed procurement and related uncertainty regarding construction and staff costs;

(d) Revise the staff costs for the seismic mitigation retrofit and life-cycle replacements project to reflect the most up-to-date standard costs and staffing requirements necessary to complete the project.

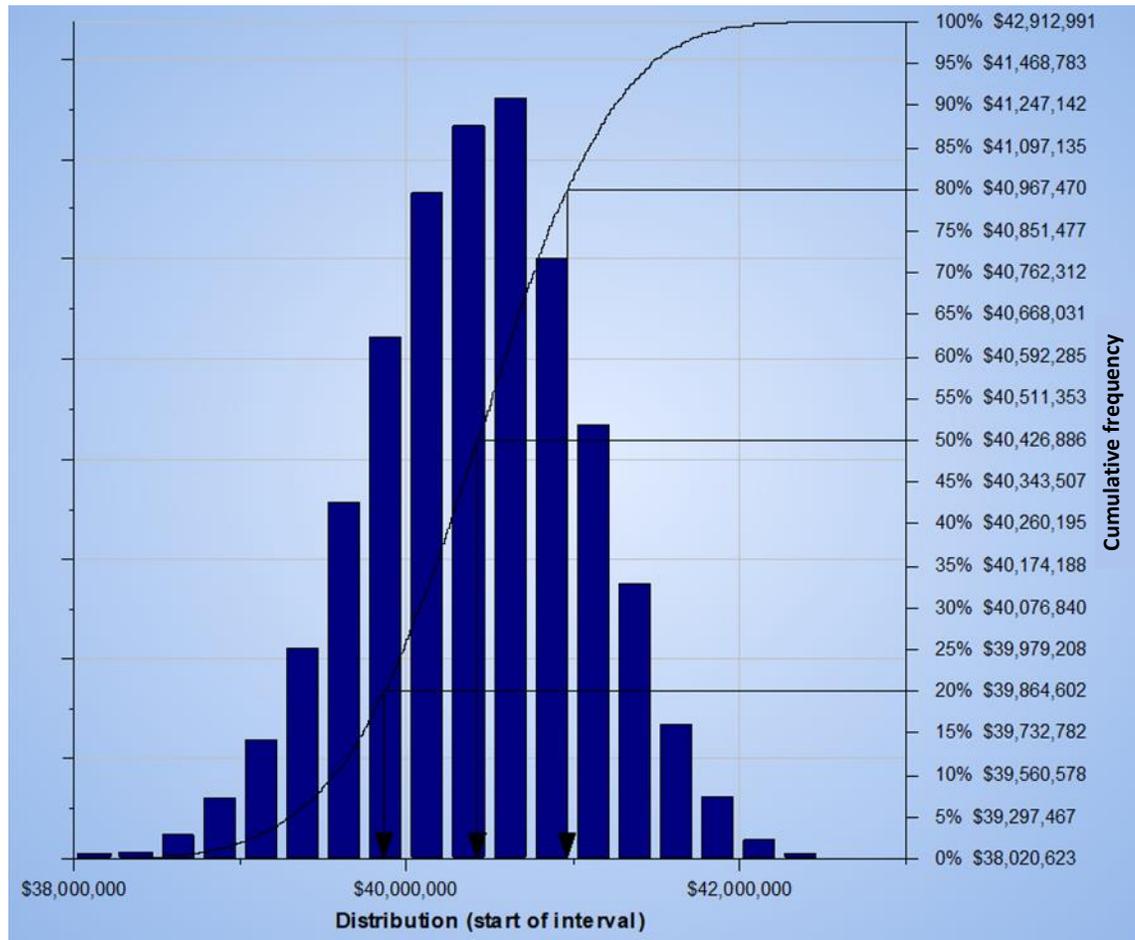
#### IV. Risk management

19. The first risk management workshop, conducted in March 2018 in Bangkok, was facilitated by the Global Asset Management Policy Service and informed the baseline risk register and Monte Carlo analysis. The workshop resulted in a project risk management strategy document, a risk register and the first quantitative (Monte Carlo) analysis of project risks, the results of which were reported in the second progress report of the Secretary-General ([A/73/327](#)). Since then, the independent risk management consultant has produced six biannual reports, two each for 2018, 2019 and 2020. Meetings to review the project risk register and provide guidance on the management of project risks are conducted quarterly.

20. In May 2021, the independent risk management consultant, the ESCAP project team and the Global Asset Management Policy Service conducted the fourth and current Monte Carlo analysis to determine the current project risks and the likelihood of achieving the “P80” benchmark that has been established as the target confidence level on capital projects, meaning that the project team would have an 80 per cent confidence level that the project would be completed within budget. As noted in previous reports, the Monte Carlo analysis serves to provide an estimate of the most likely overall cost of known risks, at the time when input was provided by the project team.

21. At the time of the first risk management workshop, the input collated for the baseline Monte Carlo analysis was based on estimated costs rather than actual costs, since the project had yet to go out to the market for bid. This meant that a high degree of uncertainty existed, and the level of confidence in the project being completed within budget remained relatively low, until such time as the contract for general construction was awarded. The project has now gone out to the market for bid and is currently in the negotiation phase prior to signing a contract. The high risk level has also been significantly affected by currency fluctuations, with the Thai baht appreciating against the United States dollar over recent years, which continue to be unfavourable compared to the budgeted rates in 2016. A summary of the fourth Monte Carlo analysis is shown in the form of a cost histogram in figure I.

Figure I  
**Cost histogram of analysed risks as of June 2021**



22. The fourth and most current Monte Carlo simulation indicates that, at the United Nations benchmark “P80” level, the project would be expected to come in at approximately \$41 million, or \$1 million over the approved estimated maximum cost. The cost histogram in figure I illustrates that the level of confidence in the project being completed within the approved budget, without any further mitigation action, has risen to approximately 27 per cent, which is a slight increase from 20 per cent in the previous annual analysis. While the confidence level has risen, there remains a level of uncertainty around currency exchange, high-value infrastructure systems and the potential impacts of the COVID-19 pandemic. The level of confidence is expected to rise further once the negotiations on the contract for general construction are completed and the contract is signed.

23. The project team has continued to take mitigating measures to manage the risks identified. To improve the chances of securing a qualified contractor to execute the main works within the estimated budget, the team implemented recommendations resulting from the independent market research and independent cost estimate performed during the previous reporting cycle. A revised expression of interest with pre-qualification criteria was issued in April 2020, and the revised and updated request for proposal documents, incorporating the multistage dialogue process, were issued on 1 September 2020 to several pre-qualified construction firms. These steps

have proven to be effective and useful risk mitigation tools in improving and increasing the confidence level towards the benchmark “P80” level.

### **Integrated risk management**

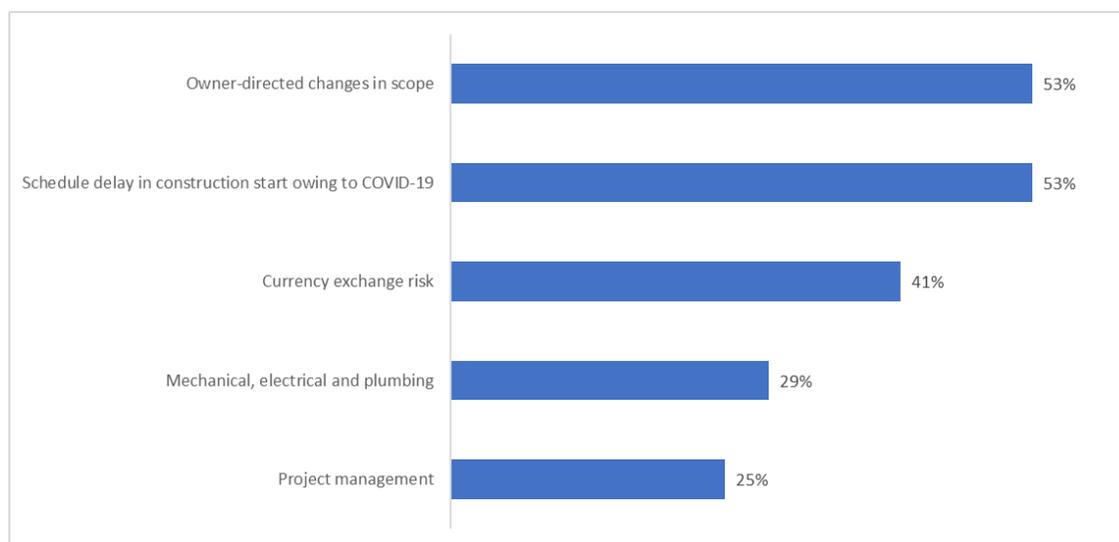
24. Integrated risk management continues to be performed at the local level by the project team and supported by its consulting firms during the review and assessment of the construction documents prior to the reissuance of the requests for proposals and throughout the bidding process. At the time of drafting the present report, the project had completed the second bid-tendering process for the main construction works and was in the contract negotiation stage. Most of the risks that are given the highest priority are associated with high-value items and unknown circumstances that may occur during construction, such as owner-directed changes, potential schedule delays owing to COVID-19, and continued currency fluctuation. While the project team has already taken adequate mitigating measures in a proactive manner, some risks will inevitably remain beyond the control of ESCAP.

### **Risk register**

25. The project risk register, which was established in line with the Risk Management Strategy (A/73/327, para. 21), continues to be monitored and updated on a regular basis by the project team. There are currently 36 active risks and two opportunities that are being monitored and managed. The risk register is a dynamic documentation tool that is fully coordinated with the Monte Carlo analysis process through to the end of the project, with three closed risks.

26. Figure II presents the cost-sensitivity analysis, measuring the correlation or relationship between individual risk entries and the overall estimated cost. The higher the cost sensitivity, the stronger the relationship between the estimate at completion and the individual risk. The figure presents a list of the current top five risks.

Figure II  
**Cost-sensitivity (“tornado”) chart as of June 2021**



### **Description of the top five project risks**

27. The top five risks identified in the cost-sensitivity analysis (“tornado”) chart shown above, are explained in more details below with a description of the risk response:

(a) **Owner-directed changes: late design requirements and/or optional scope additions.** This risk refers to owner requirements that may have not been captured in the baseline design and construction documents and that could potentially result in additional costs if change orders are received during construction. This is owing in part to the fact that, among the more than 20 United Nations entities housed within the ESCAP premises, several are undergoing restructuring and changes in composition and associated requirements. Risk mitigation measures continue to focus on obtaining review and approvals by stakeholders on a regular basis to minimize change requests later;

(b) **Schedule delay in construction start owing to COVID-19.** This risk remains in the top five risks owing to the ongoing uncertainty as to how the regional markets and supply chain may react as a result of COVID-19 pandemic closures and lockdowns. In the second quarter of 2021, Thailand experienced much higher rates of infection, resulting in closures and lockdowns. This threat, therefore, may indeed have an impact on the project with a greater degree of uncertainty. Additionally, increased safety measures during construction may also be required and affect the schedule and cost. To mitigate this risk, the project team will continue to monitor the status and impact of COVID-19 in the host country and region, and will hold discussions on related risks and mitigating strategies with the successful bidder during the current negotiation process;

(c) **Currency exchange risk.** When the project budget was approved in 2016, the Thai baht was at a low point against the United States dollar. Since 2016, the Thai baht has continually gained strength against the United States dollar, which has resulted in an estimated increase in the main construction costs of approximately \$2 million. As a result of COVID-19, it is unclear how the currency exchange rate may be affected. To mitigate this risk, the team included in the general contractor request for proposals the requirement for the contractor to purchase construction materials at fixed pricing up front, and warehouse them in a secure location. This may have the benefit of reduced costs owing to economies of scale by purchasing in bulk. However, any change in market rates (up or down) is beyond the control of the project team or the United Nations, and therefore must be monitored. Any impacts will be reported in subsequent progress reports. The project team is working with the general contractor (current qualified bidder) and the procurement team to identify proposals for value engineering to offset some of the cost overruns resulting from the increase in the currency exchange rate. However, increases associated with the currency exchange rate and the impact on the project may be unavoidable;

(d) **Mechanical, electrical and plumbing.** This risk has emerged once again as a result of the high value and broad scope of these items. While the engineering design is complete and cost estimating has been validated accordingly, they remain a high risk owing to their impact on the overall project. The mechanical and electrical works are comprehensive, extending throughout the entire building, and require careful integration with existing building infrastructure and control systems; therefore, the likelihood of unforeseen circumstances and the relatively high cost of these elements places this risk among the top five. This risk has continued to be mitigated through site surveying of existing conditions and consultations with project engineers to conduct value engineering wherever possible. It is nevertheless not completely avoidable;

(e) **Project management.** As the project progresses into the construction phase, project team support will be required for the duration of construction through to close out. The project is currently projected for substantial completion in the fourth quarter of 2023. There has been a gap between the standard staff costs for the project team that were budgeted in 2016, when the project was approved, and the actual staff costs in 2021, which are higher, resulting in further shortfalls in project management

costs. Additionally, the unexpected delays in the bid-tendering process and in the start of construction have required some project positions to be extended by 12 months beyond the initial budgeted period. While the project team has made great efforts to manage costs through vacancies and streamlining of project staff resources, there is a potential risk that the budget for project management will be insufficient to complete the remainder of the works. This may affect the oversight and supervision of the project, resulting in delays in the overall construction schedule. The project team is developing mitigation strategies within the overall project schedule to stay within the budget approved by the General Assembly to the greatest extent possible.

## **V. Progress made on the project during the reporting period**

### **A. Cooperation with member States and the host Government**

#### **Member States**

28. ESCAP has continued to provide regular updates on the status of the project and solicit voluntary contributions from member States on a regular basis through the Advisory Committee of Permanent Representatives and Other Representatives Designated by Members of the Commission. In addition to the updates provided to the Advisory Committee, the ESCAP Director of Administration, in her role as Project Executive, has seized every opportunity to engage member States in bilateral meetings to seek their support for the project through voluntary contributions, including in-kind contributions of technical experts, such as Junior Professional Officers, to support the project objectives in the areas of energy efficiency, seismic safety and sustainability.

29. ESCAP has posted and republished job openings for Junior Professional Officers on the website of the Department of Economic and Social Affairs of the Secretariat since 2019, and shared this information with member States. Although a willingness to support the project is evident, concrete offers of support have not materialized to date. ESCAP will continue, throughout the duration of the project, to follow up with member States that may be able to offer support.

#### **Relations with the host country**

30. Pursuant to General Assembly resolution [75/253 A](#) (sect. XII, para. 4), ESCAP has continued to engage with the Ministry of Foreign Affairs of Thailand to seek assistance and support for the project. Since the previous progress report was issued, the prevailing health risks related to COVID-19 have limited the ability to conduct in-person meetings with representatives of the Ministry's Department of International Organizations, as has been done in the past. Nevertheless, the ESCAP Division of Administration has continued to maintain close contact with the host country, to provide updates on the project and to seek assistance as required. During the reporting period, three meetings were held between the Division of Administration and the Ministry's Department of International Organizations.

31. In July 2020, the Ministry of Foreign Affairs in Thailand led a business seminar entitled "Doing business with the United Nations", in collaboration with the ESCAP Division of Administration and the Procurement Division at United Nations Headquarters. The seminar was aimed at attracting qualified and suitable vendors to respond to requests for proposals to provide goods and services for the United Nations family in Thailand, and to raise awareness among the vendor community of United Nations business opportunities, including key procurement activities under the seismic mitigation project. The seminar was attended in person by approximately 100 participants in person, with physical distancing in place, and additional participants

attended remotely. The meeting facilitators from the Procurement Division also explained in great detail the registration process for the United Nations Global Marketplace to interested vendors.

32. In December 2020, a second seminar, entitled “Getting to know how to do business with the United Nations”, was conducted as a follow-up session to the first seminar, held in July 2020. This session was attended in person by approximately 50 participants, and it was live-streamed for the benefit of those who could not attend in person.

33. Although no in-person meetings between ESCAP and the host country were held in 2021 owing to the worsening of the COVID-19 pandemic in Thailand, ESCAP remained in close contact with the host country, which continued to support the project during the tendering phase in a number of ways. For example, the host country continued to facilitate valuable partnerships, such as that with the Bangkok Metropolitan Authority, which advised ESCAP on the construction authorization process to ensure that the works are executed in a manner mindful of the local applicable codes, standards and procedures, and with the Council of Engineers of Thailand, which provided valuable knowledge on local practices in construction management, the use of local materials and construction methods and best practices with regard to occupational safety and health in construction. The Council of Engineers of Thailand also facilitated the dissemination of the expression of interest issued by ESCAP for the general construction works to the Thai Contractors Association to attract broader participation from qualified and experienced companies.

34. As the project enters the construction phase, ESCAP is continuing to maintain close contact with the host country in order to stay informed of developments related to COVID-19 in the local context and to identify potential impacts on the construction works.

## **B. Local knowledge and lessons learned**

35. During the period covered under this report, ESCAP continued to rely on local knowledge and lessons learned in many key project activities, including the rebidding for the general construction works and the hazardous materials survey and removal.

### **Independent asbestos consultant**

36. The safe removal of hazardous materials, including asbestos, is one of the project objectives. As a result of intensive market research and collaboration with other United Nations agencies and local experts, ESCAP has identified and engaged the professional services of a local expert with the requisite knowledge of local working conditions along with international certification to advise on the identification, testing and removal of asbestos identified in the second hazardous materials survey. This expert will provide independent quality assurance services in line with accepted codes and regulations for the safe removal of asbestos during the renovation works.

### **Tender support for the general construction contract**

37. ESCAP retained a local consulting firm to support the project team during the tendering process for the general construction contract. The firm had previously supported the project team in conducting an independent market survey of the construction industry to identify development and trends in the local and regional markets and assist ESCAP to better align its bid documents with the industry. During the reporting period, the firm continued to provide support by responding to questions

from bidders during the tendering phase, participating in the multistage request for proposals process and supporting ESCAP in performing the technical and financial evaluations. The bidders were able to gain additional clarity on United Nations requirements during the bidding stage thanks to the firm's expertise in the local market, understanding of the project and ability to effectively facilitate coordination between the construction industry and ESCAP.

#### **Knowledge transferred from the Council of Engineers of Thailand**

38. ESCAP and the project team remained in close contact with the Council of Engineers of Thailand. However, in-person meetings were not held during the reporting period owing to the COVID-19 pandemic. The project continues to rely on the expertise and advice of the Council in areas related to building codes, standards and procedures, occupational safety and health and construction management practices in the local context. Further details are provided in the present report under the section on relations with the host country (see sect. V.A above).

### **C. Procurement**

39. The ESCAP Procurement Unit continues to provide support to the project with the acquisition of goods and services in a timely manner and in strict compliance with the regulations, rules and relevant provisions of General Assembly resolutions governing procurement in the United Nations. During the reporting period, the project team, supported by the Procurement Unit, continued the tendering activities related to several key contracts required to commence the main construction works, including those listed below.

#### **Contract for the general construction works**

40. As noted in the previous progress report ([A/75/235](#)), the initial bid-tendering process for general construction services was cancelled by the project owner in November 2019 owing to a poor response from the market. Between December 2019 and January 2020, the ESCAP Procurement Unit and the project team conducted bilateral discussions with bidders who had been engaged in the latter stages of the tendering process to determine their reasons for opting out and identify any constraints or concerns that prevented them from submitting viable bid proposals. Lessons learned were identified and mitigating measures for the associated risks were taken. A revised expression of interest with pre-qualification criteria was then issued in April 2020, and the revised and updated request for proposal documents were issued on 1 September 2020 to pre-qualified firms.

41. With the support of the Global Asset Management Policy Service and the Procurement Division at United Nations Headquarters, ESCAP determined that a multistage procurement process for rebidding could help as a risk mitigating measure aimed at vastly improving the outcome. This approach was approved by the Assistant Secretary-General for Supply Chain Management as a best practice, which has also been successfully used for both the strategic heritage plan in Geneva and the renovation of Africa Hall in Addis Ababa. The multistage procurement process included bilateral meetings with the potential bidders to discuss project-related issues and clarify any potential risks up front. In accordance with the United Nations Procurement Manual, the multistage procurement process was overseen by an independent probity monitor.

42. At the time of writing of the present report, the evaluation process had been completed and had resulted in a qualified bidder being recommended for contract award, based on the established principle of best value for money. ESCAP is currently

in contractual negotiations with a recommended bidder and expects to sign the contract in September 2021. The actual commencement date of the construction will be subject to the successful closure of the negotiation process, including mutually agreed value engineering solutions, and the pandemic situation in Thailand at that time.

#### **Contract for the provision of office furniture**

43. As noted in the previous progress report, ESCAP pursued a solicitation exercise to award contracts for the provision of standardized office furniture and accessories to support the future workspace solution. The bids closed in January 2020, and the evaluation of the written proposals had been completed at the time of writing of that report. The next stage of the evaluation process required all shortlisted bidders to deliver and stage an on-site furniture mock-up at the ESCAP premises. However, owing to COVID-19 restrictions and the impact on the international supply chain, the bidders were unable to do so until mid-November 2020, resulting in a delay of more than four months to the procurement process. The mock-up exhibition and evaluation took place during a three-week period in November and December 2020.

44. In addition to the members of the technical evaluation committee who tested and evaluated the furniture items, approximately 400 occupants of the ESCAP premises, including staff and consultants from ESCAP and the United Nations agencies, funds and programmes, visited the mock-up exhibition to see and test the furniture for the future workspace solution and to provide end-user feedback. The exhibition served as a very successful change management activity that inspired great enthusiasm among and participation by the occupant community at the ESCAP premises.

45. As an outcome of the technical and commercial evaluations, several bidders were found to be fully qualified to provide goods and services in accordance with the technical requirements. At the time of writing of the present report, ESCAP was preparing a proposal to the Headquarters Committee on Contracts requesting the award of several long-term agreements with multiple qualifying vendors for the provision of furniture, accessories and related services, in keeping with the principle of best value for money. The long-term agreements would cover the immediate furniture requirements under the scope of the project, and the long-term furniture requirements at the ESCAP premises, including furniture for spaces not under the scope of the project.

46. As noted in the third progress report ([A/74/317](#), para. 51), the solicitation exercise for the furniture contracts is being conducted as a joint activity between ESCAP and the Economic Commission for Africa, with a view to meeting their common furniture requirements and leveraging economies of scale by attracting broader bidder participation and more competitive offers for both locations, while also affording the opportunity for other United Nations entities in the Asia-Pacific and Africa regions to leverage the contracts to meet their furniture needs under the mutual recognition statement. It is expected that, upon the successful award of contracts at both locations, this initiative will be considered a best practice in procurement collaboration between United Nations entities.

#### **Contract for moving and logistical services**

47. To support the relocation of staff and office equipment to and from the swing space throughout the project duration, the ESCAP Procurement Unit and the project team conducted a solicitation exercise to procure moving and logistical services. An expression of interest with pre-qualification criteria was issued in April 2020, and the solicitation documents were issued to pre-qualified bidders in December 2020. The

technical and commercial evaluations have been completed, resulting in the successful award of the contract. The moving contractor is currently on board and providing the necessary moving and logistics services.

#### **Contract for construction administration services**

48. To benefit from local expertise, ESCAP decided to pursue construction administration services through a separate contract requiring a greater degree of local presence and experience in managing similar projects in Thailand. To this end, the project team issued an expression of interest with pre-qualification criteria in October 2019 and the solicitation documents were issued to pre-qualified vendors in September 2020. The technical and commercial evaluations have been completed, resulting in a recommendation for the award of the contract. It is expected that the contract for these services will be awarded in September 2021.

#### **Contract for the provision of hazardous material survey and sampling services**

49. The removal of hazardous materials in the areas affected by the construction works is one of the key project objectives. An initial campus-wide survey conducted by a consultant in 2016 found a minimal presence of asbestos-containing material in the secretariat building ([A/72/333](#) and [A/72/333/Corr.1](#), para 24). Based on the results and recommendations of that survey, ESCAP committed to conduct a second quantitative hazardous materials survey of the ESCAP premises, including in the areas affected by the main construction works.

50. In September 2020, a request for proposals was issued to the market with an expanded scope and updated requirements, with input from technical experts at the International Labour Organization (ILO) and occupational safety and health focal points from the Division of Health-Care Management and Occupational Safety and Health at United Nations Headquarters. ESCAP evaluated the technical and financial proposals and recommended a bidder for the contract award. The contract was signed in April 2021. ESCAP is managing the contract in order to ensure the prioritization of results for the secretariat building and the removal of additional hazardous materials, if any, during the general construction works.

### **D. Planning and design activities**

#### **Office space design and potential impacts of COVID-19**

51. The designs for the interior renovation works and for the future workspace were finalized in 2019. There have been no changes to the design of the interior works over the past 18 months.

52. However, following the onset of the COVID-19 pandemic and the related potential health risks to occupants in the workplace, the previous design assumptions will need to be adjusted prior to the start of interior renovation works. While no major changes are expected to the scope of the project – including to the design of infrastructure items, such as mechanical or electrical works – certain adjustments to the interior spaces will be required, primarily through the adjustment of furniture systems and non-structural interior elements, to ensure compliance with COVID-19 health and safety standards. The project team aims to address this task in several ways, including by doing the following: (a) closely monitoring developments at ESCAP and other United Nations locations, including at United Nations Headquarters, as they relate to measures taken to facilitate the gradual return to office; (b) participating in the discussions that are currently being held on the next normal and the #NewWork initiative within the Secretariat, to benefit from guidance, lessons learned, staff feedback and best practices resulting from discussions at other secretariat locations;

and (c) convening a working group consisting of key stakeholders at ESCAP and experts on the subject at other secretariat locations, including the capital projects and independent consultant experts on workplace strategies, to arrive at the best solutions for the future workspace at ESCAP. The outcomes and knowledge gained from these activities will guide the project team in making the adjustments required to the existing design to ensure its compliance with COVID-19 safety requirements and promoting new ways of working for a more agile, innovative and collaborative United Nations family at the ESCAP premises.

53. It is expected that any future changes may be met within the parameters of the overall design concept currently in place, with no anticipated increase in costs. It is not expected that the implementation of COVID-19 safety measures, including the temporary de-densification of workspace to achieve physical distancing, will have a significant impact on efforts to achieve the target of a 20 per cent gain in space efficiency, set forth in the report of the Secretary-General containing the proposal for the project ([A/71/333](#) and [A/71/333/Corr.1](#)). The increased use of flexible working arrangements and hybrid working approaches, which has resulted in fewer staff coming into the office on any given day, will offset any minor reductions in space-efficiency gains.

#### **Construction methodology and swing space**

54. As noted in the previous progress report, ESCAP will implement an accelerated construction methodology with a shorter construction period of 24–30 months. During the bidding process for the general construction works, this approach was validated by the pre-qualified vendors that submitted bids for the main construction works. On this basis, ESCAP expects to complete the main works by December 2023.

55. In order to successfully implement the accelerated construction approach, it is required to have fewer phases of construction and hand over larger portions of the secretariat building to the general contractor in each phase. To this end, ESCAP has found a creative solution to retain all occupants on site during construction, with no requirement for off-site swing space and no loss of rental income as a result of other United Nations entities leaving the ESCAP premises for lack of adequate swing space during construction.

56. The ESCAP divisions that vacate the secretariat building will move into the newly constructed swing space building and other available locations on site. To accommodate all ESCAP divisions on site, it has been agreed to commit to a daily on-site presence of no more than 30 per cent of the total headcount (thus 100 staff members have access to 30 seats to use flexibly) during the construction phase of the project. This approach is to be achieved by leveraging existing human resources policies such as flexible working arrangements.

#### **Flexible workplace pilot**

57. The newly constructed on-site swing space building will not only serve to pilot flexible workplace practices, but also to test new ways of working as prompted by the COVID-19 pandemic. The 1,200 square metres of swing space in the building will be fitted out to provide approximately 100 seats to be used by 328 occupants from nine ESCAP divisions, on the basis of 30 per cent occupancy. Each division will be assigned a pod of seats to be used by their staff on a rotational basis.

58. The new swing space building will be fitted out with ergonomic furniture, including height-adjustable tables and ergonomic chairs for all occupants, and numerous accessories and work tools will be made available, such as mobile whiteboards, flexible partitions, adjustable monitor arms at each workspace and personal lockers for all occupants. To further support flexible working, ESCAP has

issued a personal digital toolkit to all ESCAP staff, consisting of a laptop, a wireless keyboard and mouse and a headset. All the necessary software has been provided to enable staff to be fully operational, whether working in the office or from home.

59. With this new way of working, ESCAP hopes to maintain a reduced footprint on site during the construction phase and help ESCAP staff to embrace agile and innovative ways of working in the future. The project team will continue to work closely with the ESCAP Innovation Task Force to incorporate more opportunities for increased agility and innovation. The swing space is expected to be fully occupied by September 2021. ESCAP will provide an update on progress made in the pilot scheme in the context of the report of the Secretary-General to the General Assembly at its seventy-seventh session.

### **Business readiness and change management**

60. The project team have conducted extensive business readiness activities to support occupants for the move to the swing space. During the reporting period, the project team conducted more than 100 business readiness and outreach activities, including one-on-one meetings with client groups, group information sessions, regular meetings to inform clients about the logistics activities related to the moves, question-and-answer sessions for all occupants of the premises, workshops on swing space readiness, and one-on-one meetings with clients to review and reach agreement on the swing space design and space assignment. The furniture mock-up exhibition conducted at the ESCAP premises in November and December 2020, as part of the technical evaluation process for the award of new furniture contracts, also served as an exciting outreach opportunity.

61. The project team have developed several tools to monitor progress on business readiness, including a dashboard with key business readiness activities and related milestones that client groups are required to achieve prior to the move to swing space. This dashboard tracks the progress of each client group and is used by the project team and senior management to ensure that activities stay on track. The project team has also introduced a project communications channel on Microsoft Teams for all client groups, including ESCAP and the United Nations agencies, funds and programmes. It provides a forum for discussion and information-sharing on project-related matters. The project website continues to be maintained, and several other business readiness tools, such as newsletters and videos, have been developed to communicate with clients and keep them fully informed.

### **Occupational safety and health**

62. As noted in the previous progress report, ESCAP strengthened its occupational safety and health practices and procedures in accordance with direction received from the Division of Health-Care Management and Occupational Safety and Health at United Nations Headquarters, and established a collaborative partnership with ILO to leverage and benefit from best practices and lessons learned from the ILO capital renovation project in Geneva. During the reporting period, ESCAP has continued to leverage those relationships to further strengthen occupational safety and health standards at the ESCAP premises.

63. The dedicated ESCAP Occupational Safety and Health Officer, who was recruited in 2020, has been supporting the project on related matters, including participation in the solicitation process for the second hazardous materials survey. The Occupational Safety and Health Officer has also supported the project by providing advice, reviewing and approving occupational safety and health compliance in the design and interior fit-out of the on-site swing space, responding to client queries on related matters and supporting the recruitment of the dedicated

Safety Project Officer. As the project transitions to the construction phase, the Occupational Safety and Health Officer will assist with the review, monitoring and enforcement of the health and safety plans for the main construction works.

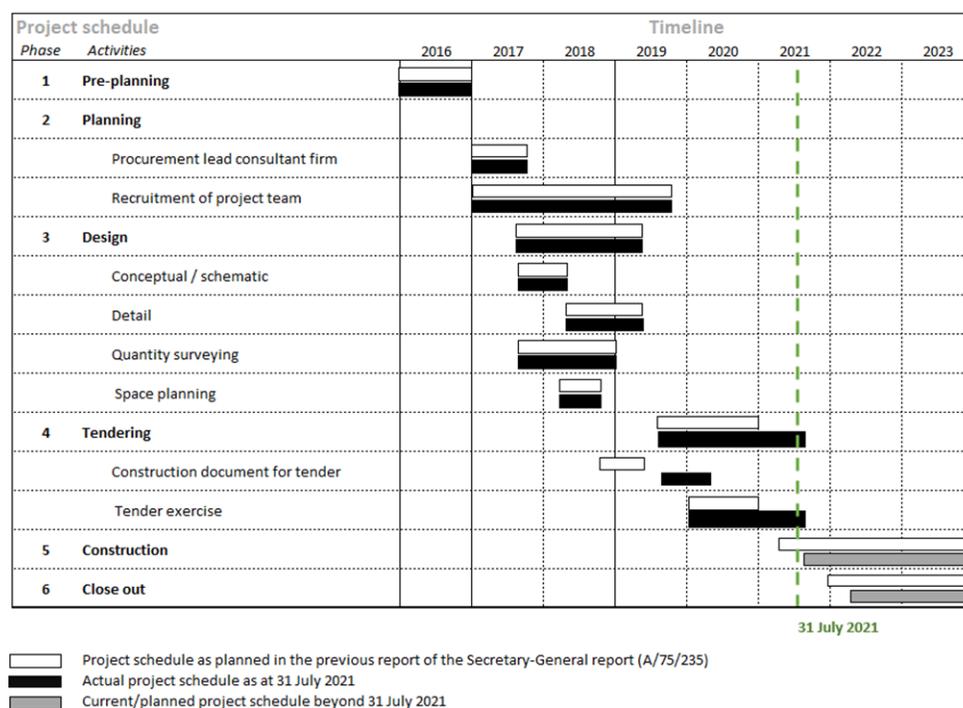
64. The project team is also a member of the ESCAP Occupational Safety and Health Committee, and will continue to leverage the overall ESCAP occupational safety and health framework during the construction phase.

### E. Project schedule

65. As noted in the procurement section of the present report (sect. V.C), after the cancellation of the initial bid-tendering process for the general construction contract in 2019, the project team and the ESCAP Procurement Unit took numerous remedial actions to get the bidding process back on track quickly. During the reporting period, ESCAP has made significant progress on this rebidding process, with a contract award expected in the third quarter of 2021, and the main construction works expected to commence shortly thereafter.

66. It is expected that the project can still be completed on schedule by the end of 2023 because of the accelerated construction approach, which entails a reduction in the number of construction phases, in accordance with the revised construction methodology set out in the previous report and the staggered closeout phases set out in the second progress report. ESCAP continues to plan for the early involvement of the ESCAP Facilities Management Unit in the handover process, with the substantial completion of each phase of work. Nevertheless, ESCAP continues to monitor COVID-19 developments in Thailand and any potential impacts, including delays to the construction works, to ensure that adequate risk mitigation and management measures are taken and updated accordingly.

Figure III  
Project schedule as at 31 July 2021



## F. Rental income

67. The rental rates for 2020–2021 of \$264 per square metre per annum for United Nations agencies, funds and programmes and \$288 for commercial tenants will be maintained for 2022 and 2023. The rental rates assessment for 2024–2025 and beyond is currently under way. The market has been affected by the COVID-19 pandemic, which has significantly softened the rental market and affected exchange rates. With the coming construction work, the decision to maintain the current rates is therefore deemed appropriate. The post-renovation rates for 2024–2025, based on the preliminary report of the rental assessment survey, are expected to be \$288 and \$312 respectively. The projected 20 per cent gain in space efficiency in the secretariat building at the end of the project remains unchanged, which is equivalent to 1,800 square metres of additional rentable space, equating to \$518,400 in annual rental income based on the rate of \$288 per rentable square metre.

68. Table 1 shows the estimated rental income per year during the proposed construction period and at the end of the project in 2024 and 2025, when space efficiency improvements will have provided additional rental space. There has been no change to these projections since the third progress report (A/74/317).

69. The table also includes the projected income from renting out 1,190 square metres of on-site swing space that could be repurposed to serve as rental space once the project has ended, from 2024 and beyond.

Table 1  
**Estimated rental income**  
(United States dollars)

	2021	2022 <sup>a</sup>	2023 <sup>a</sup>	2024 <sup>a</sup>	2025 <sup>a</sup>
Rental rate (per annum per square metre)	264	264	264	288 (estimate)	288 (estimate)
Rental income (based on current rental rate)	3 890 616	3 791 209	3 791 209	4 631 640	4 631 640
Future income (swing space)	–	–	–	342 720	342 720
Rental income, including from rental of swing space (based on current rental rate)	3 890 616	3 791 209	3 791 209	4 974 360	4 974 360

<sup>a</sup> Rental income may change owing to changes in areas occupied while in swing space, during construction.

## VI. Project expenditure and anticipated costs

### A. Status of expenditure and projected expenditure up to the end of 2021

70. By its resolutions [71/272 A](#), [72/262 A](#), [73/279 A](#), [74/263](#) and [75/253 A](#), the General Assembly appropriated a total of \$22,151,400 for the project for the period 2017–2021. The cumulative expenditure as at 31 July 2021 was \$8,824,700 and the projected expenditure for the remainder of 2021 amounts to \$8,111,700, as detailed in table 2.

71. As shown in table 2, a balance of \$5,215,000 is projected to remain unused at the end of 2021, owing mainly to delays in the start of the main construction works, which has now shifted to the third quarter of 2021, partially as a result of the COVID-19 pandemic. ESCAP is continuing discussions with the host country to identify and minimize risks related to schedule delays.

Table 2  
**Status of expenditure as at 31 July 2021 and projection for the remainder of 2021**

(Thousands of United States dollars)

	<i>Appropriated funding for the period 2017–2021</i>	<i>Cumulative expenditure as at 31 July 2021</i>	<i>Projected expenditure from 1 August to 31 December 2021</i>	<i>Total projected expenditure for 2017–2021</i>	<i>Projected unused balance at the end of 2021</i>
	(a)	(b)	(c)	(d)=(b)+(c)	(e)=(a)-(d)
<b>Section 33, Construction, alteration, improvement and major maintenance</b>					
1. Construction costs	12 552.5	2 560.8	5 599.2	8 160.0	4 392.5
2. Professional services	2 839.9	2 503.6	655.9	3 159.5	(319.6)
3. Escalation	1 402.0	–	703.9	703.9	698.1
4. Contingency	1 179.9	22.8	706.5	729.3	450.6
<b>Subtotal, section 33</b>	<b>17 974.3</b>	<b>5 087.2</b>	<b>7 665.5</b>	<b>12 752.7</b>	<b>5 221.6</b>
<b>Section 19, Economic and social development in Asia and the Pacific</b>					
5. Project management	4 177.1	3 737.5	446.2	4 183.7	(6.6)
<b>Subtotal, section 19</b>	<b>4 177.1</b>	<b>3 737.5</b>	<b>446.2</b>	<b>4 183.7</b>	<b>(6.6)</b>
<b>Total</b>	<b>22 151.4</b>	<b>8 824.7</b>	<b>8 111.7</b>	<b>16 936.3</b>	<b>5 215.0</b>

## B. Resource requirements for 2022

72. The resource requirements for 2022 are shown in table 3. The total projected expenditure for 2022 amounts to \$12,180,200, comprising:

(a) \$934,300 under section 19, Economic and social development in Asia and the Pacific, for the continuation of some of the existing project team positions (1 P-5, 1 P-4, 1 National Professional Officer, 4 Local level and 50 per cent of 1 P-4 located at United Nations Headquarters), including the two Local-level positions approved in 2019 but not recruited in 2020 owing to delays to the start of construction. The two new positions are under recruitment and the successful candidates are expected to be on board by the third quarter of 2021, in time to support the main construction works. The P-4 position located at United Nations Headquarters is expected to resume in 2022 to support the construction activities;

(b) \$11,245,900 under section 33, Construction, alteration, improvement and major maintenance, for the main construction works, including furniture and fixtures, professional services, escalation and contingency.

Table 3  
**Resource requirements in 2022**

(Thousands of United States dollars)

	<i>Projected expenditure in 2022</i>	<i>Projected unused balance at the end of 2021</i>	<i>Net funding requirement in 2022</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c)=(a)-(b)</i>
<b>Section 33, Construction, alteration, improvement and major maintenance</b>			
1. Construction costs	8 478.5	4 392.5	4 086.0
2. Professional services (consultancies)	761.2	(319.6)	1 080.8
3. Escalation	1 515.9	698.0	817.8
4. Contingency	490.3	450.6	39.7
<b>Subtotal, section 33</b>	<b>11 245.9</b>	<b>5 221.6</b>	<b>6 024.3</b>
<b>Section 19, Economic and social development in Asia and the Pacific</b>			
5. Project management	934.3	(6.6)	940.9
<b>Subtotal, section 19</b>	<b>934.3</b>	<b>(6.6)</b>	<b>940.9</b>
<b>Total</b>	<b>12 180.2</b>	<b>5 215.0</b>	<b>6 965.2</b>

73. Since the General Assembly approved in its resolution [71/272 A](#) the establishment of a multi-year construction-in-progress account for the project, the anticipated unused balance of \$5,215,000 at the end of 2021 will be carried forward to offset part of the resource requirement of \$12,180,200 for 2022. Consequently, the net resource requirement for 2022 amounts to \$6,965,200, comprising: (a) \$940,900 under section 19, Economic and social development in Asia and the Pacific; and (b) \$6,024,300 under section 33, Construction, alteration, improvement and major maintenance, of the proposed programme budget for 2022.

## VII. Next steps

74. Among the actions to be undertaken during the next reporting period are:

(a) Completing the recruitment for the remaining members of the dedicated project management team;

(b) Completing the move of occupants into temporary swing space, in preparation for the start of the main construction works;

(c) Continuing the change management and business readiness process with ESCAP staff, as well as tenants;

(d) Onboarding the general construction contractor and other key contractors to commence the construction phase of the project;

(e) Incorporating the outcome of the second hazardous materials survey into the scope of the general construction contractor and continuing to monitor issues related to occupational health and safety to ensure the safety and well-being of staff and visitors to the ESCAP premises throughout the construction phase;

(f) Continuing the value engineering exercises throughout the construction phase to ensure that project costs stay within the approved budget;

(g) Continuing to manage the project risks, including any impact of the COVID-19 pandemic, using both independent and integrated risk management strategies;

(h) Continuing future office space planning with due consideration given to any impact of the COVID-19 pandemic and conducting outreach to attract additional tenants to the ESCAP premises.

## **VIII. Recommended actions to be taken by the General Assembly**

**75. The General Assembly is requested:**

(a) **To take note of the report;**

(b) **To appropriate an amount of \$6,965,200 for 2022, comprising \$940,900 under section 19, Economic and social development in Asia and the Pacific, and \$6,024,300 under section 33, Construction, alteration, improvement and major maintenance, of the proposed programme budget for 2022, which would represent a charge against the contingency fund.**

## Annex

## Revised cost plan

(Thousands of United States dollars)

	2017	2018	2019	2020	2021	2022	2023	Total	Reported in A/75/235	Difference
<b>1. Construction costs</b>										
1.1 Building costs	–	–	–	–	4 955.8	7 858.0	7 540.0	20 353.8	20 358.0	(4.2)
1.2 Swing space costs	–	–	1 535.5	999.8	505.2	620.5	611.2	4 272.3	4 268.0	4.2
1.5 Physical security system	–	–	–	13.4	176.6	–	–	190.0	190.0	–
<b>Subtotal, construction costs</b>	<b>–</b>	<b>–</b>	<b>1 535.5</b>	<b>1 013.2</b>	<b>5 637.6</b>	<b>8 478.5</b>	<b>8 151.2</b>	<b>24 816.1</b>	<b>24 816.0</b>	<b>–</b>
<b>2. Professional services (consultancies)</b>										
2.1 Lead consultancy firm	201.8	1 366.3	197.2	0.3	–	–	–	1 765.6	1 795.6	(30.0)
2.2 Seismic design	134.4	–	–	–	–	–	–	134.4	134.4	–
2.3 Office space design	–	–	–	–	–	–	–	–	–	–
2.4 Risk management	–	7.5	55.2	45.2	60.3	72.5	–	240.7	240.7	–
2.5 Other services	125.8	57.0	44.0	290.8	662.9	688.7	400.7	2 269.9	1 069.5	1 200.4
<b>Subtotal, professional services (consultancies)</b>	<b>462.0</b>	<b>1 430.8</b>	<b>296.4</b>	<b>336.3</b>	<b>723.2</b>	<b>761.2</b>	<b>400.7</b>	<b>4 410.6</b>	<b>3 240.2</b>	<b>1 170.4<sup>a</sup></b>
<b>3. Escalation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>703.9</b>	<b>1 515.9</b>	<b>1 669.2</b>	<b>3 889.0</b>	<b>3 889.1</b>	<b>(0.1)</b>
<b>4. Contingency</b>	<b>–</b>	<b>–</b>	<b>22.8</b>	<b>–</b>	<b>706.5</b>	<b>490.3</b>	<b>295.9</b>	<b>1 515.5</b>	<b>3 002.2</b>	<b>(1 486.7)<sup>b</sup></b>
<b>Subtotal, section 33</b>	<b>462.0</b>	<b>1 430.8</b>	<b>1 854.7</b>	<b>1 349.5</b>	<b>7 771.2</b>	<b>11 245.9</b>	<b>10 517.0</b>	<b>34 631.1</b>	<b>34 947.5</b>	<b>(316.4)</b>
<b>Section 19, Economic and social development in Asia and the Pacific</b>										
<b>5. Project management</b>										
5.1 Dedicated project management and support team	474.8	613.9	782.6	883.9	903.0	795.4	348.0	4 801.6	4 611.8	189.8
5.2 Dedicated Coordinator at Headquarters (50 per cent of costing)	14.2	135.6	147.6	125.3	–	125.3	–	548.0	421.4	126.6
5.3 Travel of project management team	24.7	–	–	–	–	13.6	–	38.3	38.3	–
<b>Subtotal, section 19</b>	<b>513.7</b>	<b>749.5</b>	<b>930.2</b>	<b>1 009.2</b>	<b>903.0</b>	<b>934.3</b>	<b>348.0</b>	<b>5 387.9</b>	<b>5 071.5</b>	<b>316.4<sup>c</sup></b>
<b>Total</b>	<b>975.7</b>	<b>2 180.3</b>	<b>2 784.9</b>	<b>2 358.7</b>	<b>8 674.2</b>	<b>12 180.1</b>	<b>10 865.0</b>	<b>40 019.0</b>	<b>40 019.0</b>	<b>–</b>

<sup>a</sup> The overexpenditure of \$1,170,400 under professional services (consultancies) results from the fact that the values of the construction administration contract and consultancy contracts required to provide support during the tendering phase exceeded the available budget for professional services. The cost overruns are covered under contingency funds.

<sup>b</sup> Contingency funds to the value of \$1,486,700 will be used to cover shortfalls in professional services (\$1,170,400; see footnote *a*) and project management costs (\$316,400; see footnote *c*).

<sup>c</sup> The overexpenditure of \$316,400 under project management results from the fact that actual staffing costs are higher than the standard budgeted costs. The cost overruns are covered under contingency funds.