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Proposed programme budget for 2022

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

Sixteenth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2022

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the eighth annual progress report of the Secretary-General on the strategic heritage plan of the United Nations Office at Geneva ([A/76/350](#)). During its consideration of the report, the Advisory Committee met online with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses dated 11 November 2021.

2. The report of the Secretary-General is submitted pursuant to section IX of General Assembly resolution [75/253](#) A. It covers the period from 1 September 2020 to 31 August 2021 and provides details on the financial status of the project as at the end of July 2021 as well as an update on the activities undertaken since the seventh annual progress report of the Secretary-General ([A/75/355](#)) was issued.

II. Project governance

3. In section II of his report, the Secretary-General provides an update on project governance, including information on the activities of the Advisory Board, the project Steering Committee and the Board of Auditors during the reporting period.

Board of Auditors

4. The Board of Auditors carried out two visits to conduct audits of the work related to the strategic heritage plan, from 26 October to 13 November 2020 and from 11 to 29 January 2021. In addition to those visits, the Advisory Committee was informed, upon enquiry, that another visit took place between 13 and 17 September 2021 and an additional visit is planned during November 2021 for the full annual audit activities. The Committee was provided, upon request, with an updated status



of implementation of the recommendations of the Board. Of the 48 listed recommendations, 12 had been implemented, 4 were under implementation, and the remaining 32, all with a target date of end 2021, were considered implemented by the Administration but the Board had yet to confirm implementation. **The Advisory Committee trusts that the recommendations of the Board will be implemented fully and expeditiously (see A/75/7/Add.12, para. 4).**

Project staffing

5. The Advisory Committee was provided, upon request, with a table showing the project staffing in 2021 and the incumbency status, as well as staffing proposals for 2022 (see table 1).

Table 1
Project staffing as at 29 October 2021, proposed for 2022

<i>Position</i>	<i>Grade</i>	<i>Status</i>	<i>Proposed for 2022</i>
Project management team			
Project Director	D-2	Filled	Proposed
Chief, Programme Management Support	D-1	Filled	Proposed
Chief, Design and Construction	D-1	Filled	Proposed
Senior Project Manager	P-5	Onboarding	Proposed
Senior Administrative Officer	P-5	Onboarding	Proposed
Project Officer	P-4	Filled	Proposed
Project Manager (Engineering)	P-4	Filled	Proposed
Project Manager (Architect)	P-4	Filled	Proposed
Project Manager (Architect)	P-4	Under recruitment	Proposed
Legal and Contracts Management Officer	P-4	Filled	Proposed
Budget and Cost Management Officer	P-4	Filled	Proposed
Contracts Management Officer	P-3	Filled	Proposed
Programme Assistant	GS (OL)	Filled	Proposed
Programme Assistant	GS (OL)	Filled	Proposed
Programme/Communication Assistant	GS (OL)	Temporarily vacant, incumbent on loan until end 2021	Proposed
Operational experts team			
Procurement Officer	P-4	Filled	Proposed
Procurement Officer	P-4	Filled	Proposed
Operational Expert Information and Communications Technology	P-4	Filled	Proposed

<i>Position</i>	<i>Grade</i>	<i>Status</i>	<i>Proposed for 2022</i>
Operational Expert Architect	P-3	Filled	Proposed
Operational Expert Engineer	P-3	Filled	Proposed
Operational Expert Security	P-3	Filled	Proposed

Abbreviation: GS (OL), General Service (Other level).

6. The Advisory Committee was also provided with a summary of staffing requirements approved since the inception of the project, but without the incumbency of the positions throughout the project (see table 2).

Table 2
Summary of project staffing since inception
Position requirements – project management team

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>Category</i>	<i>Resolution 68/247</i>	<i>Resolution 69/262</i>	<i>Resolution 70/248</i>	<i>Resolution 71/272</i>	<i>Resolution 72/262</i>	<i>Resolution 72/262</i>	<i>Resolution 72/262</i>		
Professional and higher									
D-2	1	1	1	1	1	1	1	1	1
D-1	2	2	2	2	2	2	2	2	2
P-5	2	2	2	2	2	2	2	2	2
P-4	5	5	5	5	5	5	5	5	6
P-3	1	1	1	1	1	1	1	1	1
Subtotal	11	11	11	11	11	11	11	11	12
General Service									
Other level	1	3	3	3	3	3	3	3	3
Subtotal	1	3	3	3	3	3	3	3	3
Total	12	14	14	14	14	14	14	14	15

Position requirements – operational experts team

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>Category</i>	<i>Resolution 68/247</i>	<i>Resolution 69/262</i>	<i>Resolution 70/248</i>	<i>Resolution 71/272</i>	<i>Resolution 72/262</i>	<i>Resolution 72/262</i>	<i>Resolution 72/262</i>		
Professional and higher									
P-5					1	1	1		
P-4	3	3	3	4	4	4	4	4	4
P-3	2	2	2	2	2	2	2	2	2
Total	5	5	5	6	7	7	7	6	6

7. The Advisory Committee recommends that the General Assembly request the Secretary-General to include, as a matter of routine, in future progress reports for the strategic heritage project, as well as in progress reports of other

United Nations construction projects, a consolidated table on project staffing since the inception of the project, indicating the start and end dates of each position, incumbency status and staffing proposals for the following year (see also A/76/7/Add.8, para. 7, and A/76/7/Add.11, para. 7).

8. The Secretary-General indicates that, in order to mitigate delays in project activities, it was necessary to augment the strategic heritage plan team with an additional short-term temporary position of Architect (P-4) for the fourth quarter of 2021 and the full duration of 2022, which will be accommodated within the total estimated management cost of the project (A/76/350, para. 15). Upon enquiry, the Advisory Committee was informed that delays, in part due to the coronavirus disease (COVID-19) pandemic, had led to the overlapping of intense project activities and resulted in a workload that exceeded the capacity of the team, with the significant risk that the project might incur further delays and additional costs. In addition, 3 of the 15 project staff positions were temporarily vacant and key members of the consultant programme management team had left the project and had to be replaced. Based on the above, the risks related to staff resources had become one of the top project risks since early 2021 (see para. 18 below). The Committee was also informed that the Secretariat determined that creation of this temporary position was within the authority of the Secretary-General. **Taking into account the need to mitigate project risks and the additional workload arising from the overlapping of key project activities, the Advisory Committee recommends the establishment of the position of Architect (P-4) in the project team. The Committee notes, however, that, as a matter of policy, the temporary position should have been presented to the General Assembly for approval and trusts that further clarification will be provided to the Assembly at the time of consideration of the present report. The Committee stresses that staffing requirements should continue to be reviewed annually to ensure that the size of the team is commensurate with the remaining project activities.**

III. Progress of the project

A. Status of activities

9. A summary of the status of activities is provided in paragraphs 16 to 20 of the progress report, with further detail in paragraphs 21 to 49. The key reported activities include the following:

(a) The new permanent building H reached substantial completion in mid-May 2021, following delays due to the closure of construction sites by the Geneva authorities related to COVID-19 and subsequent lower productivity levels due to enhanced health and safety measures. Staff moved into the new premises between mid-May and mid-June 2021;

(b) The temporary conference building, comprising three 200-seat conference rooms to ensure business continuity during the renovation works, was completed and commissioned in September 2020 with a delay and additional costs of about SwF 260,000, due to COVID-19 measures. The building has hosted over 380 meetings since its completion in 2020 (see para. 26 below);

(c) The pre-construction phase for the renovation of the main 1930s and 1950s historic buildings was completed, with a delay of six months (see para. 17 below), following the conclusion of the guaranteed maximum price contract in December 2020. The agreed guaranteed maximum price, which was lower than the contract price originally agreed at the outset of the pre-construction services period, also included costs related to foreseeable pandemic-related measures until the end of June 2021, estimated at approximately SwF 2.2 million (see para. 29 below). This additional cost

was fully contained within the original contract amount through savings achieved elsewhere during the collaborative open-book subcontract procurement process within the pre-construction services period. The Advisory Committee was informed that the main renovation works commenced in January 2021 and continued at pace, with approximately 75 per cent of the floor area presently under renovation (see para. 16 below);

(d) The request for proposal tender for the renovation of the 1970s building E, which covers the completion of the design, pre-construction services, renovation of the conference building and dismantling of the office tower, was launched during the second half of 2021. On the basis of lessons learned and in line with the recommendations of the Board of Auditors, the building E contracting strategy employs an open-book approach, with a collaborative pre-construction services period running in parallel and overlapping with the technical design completion phase from the outset, as was successfully utilized for the procurement process and contract for the renovation of the historic buildings (1930s and 1950s) ([A/76/350](#), para. 23; see also para. 16 below).

10. The Advisory Committee welcomes the occupancy of the new permanent building H and the commissioning of the temporary conference building and trusts that further information on their usage will be provided in the next progress report. The Committee also notes the progress made in key project activities during the reporting period, notwithstanding the challenges related to the COVID-19 pandemic.

B. Project scope and value engineering

11. The Secretary-General indicates that his progress report did not include any proposals for reductions to the approved scope of the project and that the United Nations continued to conduct value engineering and optimizations to meet the approved project scope objectives at a lower cost ([A/76/350](#), paras. 19 and 78). For example, the planned extension work to the seating area of the cafeteria in building A is expected to be removed from the current historic building renovation contract in order to increase the probability of meeting the core project scope objectives within the approved budget, based on the increased catering capacity in other areas of the campus and the significant drop in demand over the past two years (*ibid.*, para. 19). In response to a query as to whether the removal of the expansion of the cafeteria seating would constitute a change of scope, the Advisory Committee was informed that the removal, which would yield an estimated net potential savings of SwF 2,658,770, was considered value engineering under the authority of the project owner to mitigate the risk of cost overruns, as it did not have an impact on any key objectives or scope of the project approved by the General Assembly. Additional opportunities for value engineering, mainly related to works yet to commence, were presently being reviewed by the project owner, prior to consultation with the Steering Committee and key stakeholders, as appropriate.

12. Nevertheless, in his report, the Secretary-General is seeking the authorization of the General Assembly to present, if and when necessary, options for mitigating the risk of cost overruns by proposing reductions in the scope of the project (*ibid.*, para. 118 (d)). Upon enquiry, the Advisory Committee was informed that, at this stage, it was too early to confirm whether any reduction of the scope of the project would be necessary. Furthermore, any request for scope reductions would be proposed to the Assembly in line with section X of its resolution [70/248 A](#), only if and when, following the implementation of mitigation strategies to address the remaining cost pressures, including value engineering, it was still not possible to fully mitigate the

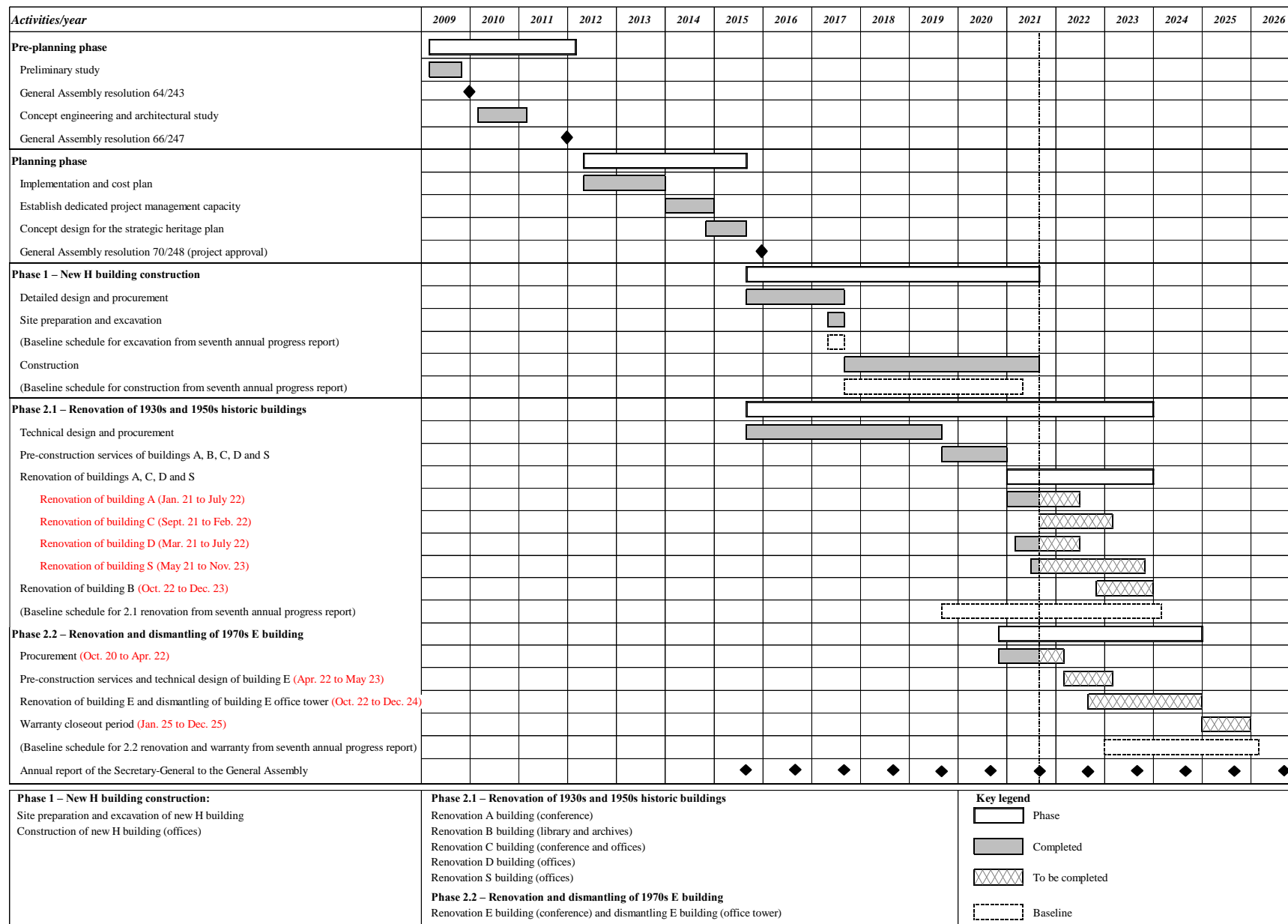
forecast cost increase, and descoping was the only remaining way to further reduce potential cost overruns.

13. The Advisory Committee recommends that the General Assembly request the Secretary-General to continue to closely monitor and mitigate project risks and ensure the delivery of the project within the scope, budget and timeline approved by the Assembly (see also para. 17 below). Furthermore, the Committee recommends that the Assembly request the Secretary-General to provide more detailed information on the planned and undertaken value engineering and the related implications on the strategic heritage project in the next progress report. The Committee also encourages the Global Asset Management Policy Service to continue to share and provide strengthened guidance on best practices and lessons learned, in all aspects of construction projects, including on value engineering, to ensure consistent approaches across projects and the realization of efficiency gains.

C. Project schedule

14. Information on the project schedule is contained in paragraphs 55 to 59 of the report of the Secretary-General. Upon request, the Advisory Committee was provided with an amended version of the project schedule included in the report of the Secretary-General ([A/76/350](#), figure IX), providing the start and end dates of each of the remaining phases and subphases (see the figure below).

Project schedule as at 29 October 2021



15. **The Advisory Committee recommends that the General Assembly request the Secretary-General to present in future progress reports for the strategic heritage project and other United Nations construction projects the project schedule in both chart and tabular form, with dates for the individual stages and substages, explanations regarding any schedule delays and other pertinent information (see also [A/76/7/Add.8](#), para. 11, [A/76/7/Add.11](#), para. 9, and [A/76/7/Add.13](#), para. 11).**

16. According to the project schedule, the next remaining stages of the project are as follows:

(a) The completion of major renovation works in the 1930s and 1950s historic buildings is anticipated at the end of 2023, with building C to be completed by February 2022; buildings A and D by July 2022; building S by November 2023; and building B by December 2023;

(b) The completion of procurement for the main contract for the renovation of the 1970s building E is expected in April 2022, with the pre-construction and technical design phase to conclude in May 2023. The renovation works and dismantling of the office tower are planned to start in October 2022 and be completed in December 2024. Closeout activities are scheduled to continue throughout 2025 and conclude in December 2025.

17. With project completion anticipated at the end of 2025, the project timeline represents an overall improvement of three months, compared with the schedule contained in the previous progress report, which had anticipated the completion of construction activities in early 2025, with closeout activities ending in early 2026 ([A/75/355](#), para. 50; see also [A/75/7/Add.12](#), para. 8). Upon enquiry, the Advisory Committee was informed that the previously reported six-month delay in the pre-construction phase of the renovation of the 1930s and 1950s historic buildings had been partly offset by a three-month reduction in the construction period due to the resequencing of various sections of works, which had been made possible, in part, by a significant decrease in conferences during 2021 due to the pandemic. **The Advisory Committee notes that, according to the current project timeline, the previously reported delay of six months is expected to be reduced to three months, and trusts that further efforts will be taken to ensure the completion of the project within the timeline.**

D. Project risks

18. A list of project risks that presently rank the highest, on the basis of a combination of their likelihood and potential impact, is provided in paragraph 52 of the report of the Secretary-General. They include: (a) design modifications, owing to changes in or late finalization of stakeholder requirements, including due to pandemic-driven changes in working modalities (see also para. 21 below); (b) delays related to procurement as well as the guaranteed maximum price negotiation and agreement for the renovation of building E and potential cost escalation; (c) design errors and omissions in contracted works; (d) discovery of changes or repairs to existing structures and/or mechanical and electrical services; and (e) retention of the project management team members. **The Advisory Committee recommends that the General Assembly request the Secretary-General to present a table showing a comparison of the top five project risks with respect to the latest three progress reports, together with an explanation of any changes, in future progress reports for the strategic heritage plan and other United Nations construction projects (see also [A/76/7/Add.8](#), para. 16, [A/76/7/Add.11](#), para. 17, and [A/76/7/Add.13](#), para. 16).**

E. Project costs

19. The cost plan continues to be based on the approved maximum budget of SwF 836.5 million (A/76/350, para. 60). The updated cost estimate for the project core costs, excluding contingencies, stands at SwF 799.9 million, reflecting a decrease of SwF 21.0 million compared with the forecast in the seventh annual progress report (ibid., para. 61). Upon enquiry, the Advisory Committee was informed that the SwF 21.0 million reduction was mainly due to the final price of works agreed within the guaranteed maximum price for the 1930s and 1950s historic buildings, the lower-than-previously-estimated impact of COVID-19 and the three-month reduction in the overall programme of work. The current forecast of the final cost was not expected to substantially change until mid-2022, when it is anticipated that the actual cost for the works on building E will become known. Furthermore, the forecast was considered conservative and included procurement risks and market conditions that may affect the building E contract price.

20. Upon enquiry, the Advisory Committee was informed that the cumulative expenditures for the period from 2014 to 30 September 2021 amounted to SwF 370.4 million, with projected expenditures for the remainder of 2021 estimated at SwF 32.4 million. Planned disbursements for 2022 amount to SwF 131.7 million. The Committee was also provided, upon request, with monthly expenditure information for the period 2019–2021, as well as monthly expenditure projections for the remainder of 2021 and for 2022, which are annexed to the present report. **The Advisory Committee recommends that the General Assembly request the Secretary-General to provide updated versions of the annexed tables in future progress reports for the strategic heritage plan and other United Nations construction projects (see also A/76/7/Add.8, para. 25, and A/76/7/Add.11, para. 26).**

F. Other project aspects

Flexible workplace strategies and space efficiency

21. In his report, the Secretary-General provides information on the current and projected occupancy and number of workspaces (A/76/350, table 1 and para. 31). Of the maximum occupant capacity of 3,648, the most recent staffing projections result in an allocation of 3,422 occupants, with a potential remaining capacity for a further 226 occupants from additional tenants and new mandates of the General Assembly. According to the report, it can be predicted that, once the strategic heritage plan project is complete, the maximum overall allocated occupant capacity of the Palais des Nations compound will exceed that originally forecast, provided that the pandemic-related mitigating measures have ended. Upon enquiry, the Advisory Committee was informed that it was premature to comment on the possible number of staff that could be accommodated in the flexible workspace in the post-pandemic period and that an increased use of flexible working arrangements might not necessarily lead to more available space. **The Advisory Committee trusts that additional information on flexible workplace strategies and space efficiency will be provided in the next report and that proper planning will be undertaken to avoid owner-directed design changes (see also para. 18 above).**

22. Upon enquiry, the Advisory Committee was informed that, during the reporting period, the following entities relocated to the Palais des Nations campus: the Geneva-based presence of the United Nations Joint Staff Pension Fund (55 staff), the Global Executive Leadership Initiative (7 staff) and the United Nations Support Mission in Libya, including the Office of the Special Envoy of the Secretary-General on Libya (6 staff). The Committee was further informed that the related rental charges from

these additional tenants to be recorded under income section 2 amount to \$249,000 on an annual basis. **The Advisory Committee recommends that the total income estimates under income section 2 for 2022 be increased by an amount of \$193,200, corresponding to the difference between the additional revenue in the amount of \$249,000 and the proposed requirements for a valorization consultancy in the amount of \$55,800 (see para. 34 below).**

Sustainability and reduction of energy consumption

23. 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/66/279, para. 11 (c) (iv)). Noting that several factors, including the replacement of windows as part of a donation by the host country prior to the commencement of the works of the strategic heritage plan (see para. 24 below), had contributed to the achievement of this objective, the Board of Auditors recommended that the baseline energy savings target be updated to reflect the date of approval of the strategic heritage plan scope by the General Assembly in December 2015. The project team therefore revised the baseline objective reduction in energy consumption to be achieved under the strategic heritage plan to 11.5 per cent compared with the 2015 revised baseline energy consumption level (A/76/350, paras. 36–39).

24. Upon enquiry, the Advisory Committee was informed that, in compliance with the host country building codes requiring that renewable energy sources contribute to meeting the energy demand of new buildings, solar panels have been incorporated onto the level 6 roof of the new permanent building H. In addition, the roof of the Pregny gate entrance building is extensively covered with solar panels and there are four electric car charging point canopies with integrated solar panels installed across the campus. The Committee was also informed that solar panels had also been extensively installed on the roofs of buildings A, B, C and S and the office tower roof of building E, owing to a SwF 50 million donation by the host country in 2013, which also included roof insulation and window replacement and contributed to a 25 per cent reduction of energy consumption compared with the 2010 baseline (see para. 28 below).

25. **The Advisory Committee trusts that the Secretary-General will provide additional information on sustainability and reduction of energy consumption to the General Assembly at the time of its consideration of the present report. The Committee also looks forward to receiving additional information on the revised baseline energy consumption level, data on energy usage and costs, as well as further detail on the solar panels system capacity, costs and related savings, in the next progress report.**

Broadcast and congress systems

26. During the reporting period, the design of the broadcast and congress systems was updated to support the adoption of new audiovisual over Internet protocol technology, which has rapidly become the industry standard and was proposed by the market tender returns within the budget allowance. In addition, a design programme change was implemented to align the audiovisual and broadcast scope of work of the conference rooms with the latest standards available across the Palais des Nations campus, to install remote simultaneous interpretation functionality and to provide remote connectivity in all of the main conference rooms, where necessary. Further upgrades may also be required during the remaining work to ensure that the significantly increased demand for broadcasts and remote participation to ensure business continuity can be met once the renovation work is complete (A/76/350, para. 42). Upon enquiry, the Advisory Committee was informed that the technology was first implemented at the United Nations Office at Geneva in two conference rooms that were renovated through donations in recent years and was also operational in the temporary conference

building. Lessons learned have been shared among project teams at duty stations that are currently undertaking or have recently undertaken renovations of conference facilities. **The Advisory Committee recalls its recommendation that the Secretary-General should provide consolidated information on the investments related to the impact of COVID-19 for the conference facilities across Headquarters, offices away from Headquarters and regional commissions in the context of the next programme budget report (A/76/7, para. XI.28).**

Removal of hazardous material

27. The Advisory Committee recalls that, in the context of the proposed requirements for section 33 of the programme budget for 2022, the Secretary-General indicated that an amount of \$100,000 would provide for the collection and disposal of hazardous material in order to undertake emergency maintenance in areas which are yet to undergo renovation in the Palais des Nations campus. Upon enquiry, the Advisory Committee was informed that, while the removal of hazardous material is included in the scope of the strategic heritage plan, until buildings or parts thereof are handed over to the strategic heritage plan contractor, the Secretariat is obligated to ensure their continuing safe operation, in accordance with the health and safety rules of the host country. **The Advisory Committee recalls that, based on the above, it recommended that an amount of \$100,000, corresponding to the proposed requirements for the collection and disposal of hazardous material according to host country regulations, be removed from the strategic heritage plan (A/76/7, para. XI.18).**

IV. Financing

Host country loan

28. In his report, the Secretary-General indicates that, in accordance with the loan agreement, as the full loan amount of SwF 125.1 million was drawn and the new building H had been occupied since May 2021, the 50-year loan repayment for the loan portion would begin in December 2021. The repayment of the renovation portion of the loan was estimated to start at the end of December 2024, the year of the planned completion of the renovation works to building E (see para. 16 above). Loan repayments were included in the proposed programme budget for 2022 under section 33, in the amount of \$2,791,800, in line with resolutions 74/263 and 75/253 A (A/76/350, paras. 66–68; see also A/76/6 (Sect. 33), para. 33.17). **The Advisory Committee reiterates its appreciation to the Government of Switzerland for its continued support to the strategic heritage plan since its inception (see also para. 24 above).**

Contingency management

29. 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 (A/76/350, para. 69). The most recent risk model projects a risk exposure at the P80¹ confidence level of SwF 65.5 million (SwF 67.1 million, including escalation), reflecting a decrease of SwF 4.4 million, including escalation, compared with the seventh annual progress report. The available contingency, representing the difference between the SwF 836.5 million project envelope and the latest forecast of project core costs, including escalation, amounts to SwF 36.6 million for the period 2021–2025 and is SwF 21.0 million higher than in the previous reporting period (ibid., para. 71). Upon enquiry, the Advisory Committee was informed that the reduction was mainly due to the final price of the works as agreed within the guaranteed maximum

¹ The “P80” benchmark is a target confidence level that the project cost will not exceed the total cost 80 per cent of the time.

price contract for the renovation of the 1930s and 1950s historic buildings, as well as the lower-than-anticipated COVID-19 required allowances.

30. According to this risk model, at this level of available contingency and absent any other mitigation actions, there is a 16 per cent probability that the approved project envelope will be sufficient to cover the project cost (ibid.). Planned mitigation measures are outlined in paragraphs 76 to 78 of the report and focus on the request for proposal tender stage and the agreement of a guaranteed maximum price for building E, as well as the continued identification, prioritization and implementation of value engineering solutions (see also paras. 11–13 above). The Advisory Committee recalls that in the previous progress report the confidence level to complete the project within budget was 4 per cent, and it had subsequently fallen further to 2 per cent ([A/75/7/Add.12](#), paras. 23–24, and resolution [75/253](#) A, sect. IX, para. 10).

Scheme and currency of appropriation and assessment

31. In its resolution [75/253](#) A, the General Assembly decided to revert to the establishment of an assessment scheme and currency of appropriation and assessment for the strategic heritage plan as well as to the establishment of the multi-year special account at the main part of its seventy-sixth session (sect. IX, paras. 20–21). The Secretary-General provides information on these issues in paragraphs 81 to 88 of his report. **The Advisory Committee reiterates its view that these are policy matters to be decided upon by the General Assembly** ([A/75/7/Add.12](#), para. 27, [A/74/7/Add.13](#), para. 23, [A/73/576](#), para. 35, and [A/72/7/Add.25](#), para. 27).

V. Other matters

A. Valorization of United Nations-owned land in Geneva

32. In section IX of its resolution [75/253](#) A, the General Assembly endorsed the recommendation of the Advisory Committee to request the Secretary-General to present a refined valorization strategy and related cost implications in the eighth progress report to reflect, inter alia, the full and long-term impact of COVID-19 as well as potential changes in the planned occupancy ([A/75/7/Add.12](#), para. 33). In his report, the Secretary-General proposes that new further valorization studies be commissioned with specialist consultants, given the uncertainty regarding the full and long-term impact of COVID-19 on the urban development market in Geneva and the related effect on the valorization strategy previously presented. To that end, the Secretary-General requested the approval of requirements in the amount of \$55,800 for 2022 for consultancy fees to update the valorization strategy, and the corresponding reduction in total income estimates in income section 2, from \$19,331,600 to \$19,275,800 ([A/76/350](#), paras. 95–98 and 118 (e)).

33. The proposed amount for the consultancy fees would be offset from the additional annual rental income being received from the Fondation pour la Cité de la musique de Genève lease, pursuant to an agreement signed in March 2020 for a 90-year lease with development rights for the Villa and Parc des Feuillantines land in the total amount of SwF 25.6 million ([A/76/350](#), paras. 92 and 98). As part of the Fondation pour la Cité de la musique de Genève building permit procedure, a public referendum was held in Geneva in June 2021 regarding the plans for the “Cité de la musique” project, which resulted in a total of 50.86 per cent of Geneva’s voters rejecting those plans. While the lease presently remains in effect, it is unclear if the project will proceed. Upon enquiry, the Advisory Committee was informed that an annual income of SwF 284,444 was received from the Fondation for the lease of the Villa and Parc des Feuillantines land plots in 2020 and 2021 and that the next annual instalment was due in the first half of

2022. Should the 2022 instalment not be received, there would still be sufficient income to cover the requirements for the consultancy.

34. **The Advisory Committee encourages the Secretary-General to continue his efforts to maximize the long-term generation of income through long-term, community-oriented leasing arrangements for United Nations-owned land in Geneva (see also resolution 74/263, para. 25) and trusts that an updated valorization strategy will be presented in the next progress report. The Committee sees merit in the envisaged consultancy and recommends that the proposed related requirements be absorbed from within the increased rental income generated from the additional entities accommodated in the Palais des Nations campus during the reporting period (see para. 22 above).**

B. Out-of-scope projects

New visitors' centre

35. With respect to the in-kind donation of a new visitors' centre, to be located within the Palais des Nations grounds, the Secretary-General indicates in his report that construction is expected to commence in early 2022 and that the centre is expected to open early in 2024. As previously reported, the donor agreed to provide SwF 2.0 million for operational support and SwF 1.5 million for major upkeep, which could cover long-term maintenance costs for at least 5 years and up to a maximum of 21 years after the end of the guarantee period, depending on the method used for projecting annual maintenance costs (A/76/350, paras. 104–107). **The Advisory Committee trusts that updated information on the new visitors' centre will be provided in the context of the next report.**

Expansion of the Geneva main train station and track infrastructure

36. In his sixth progress report, 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 (A/74/452, para. 123). During the reporting period, a detailed agreement was reached, and the Secretary-General provides information thereon in his eighth report, as requested by the General Assembly in section IX of its resolution 75/253 A (see also A/75/7/Add.12, para. 38). Pursuant to the agreement, the Swiss Federal Railways will: (a) replace any infrastructure on which its project has an impact, at its sole expense, and at a location of the choosing of the United Nations Office at Geneva, which will lead to the full replacement of some ageing roads and equipment; (b) in-kind contribution up to SwF 960,000, directed towards improvements to mobility and security within the campus, in the immediate vicinity of the impacted land; and (c) financial compensation of SwF 491,443 for land ceded permanently in line with the recommendations and findings of an external expert study. The agreement also confirms that the work on this project will not begin before 2025 and that, should any work under the strategic heritage plan still be in progress at that time, the Swiss Federal Railways will have to put in place coordination mechanisms so that the two projects may proceed in parallel (A/76/350, paras. 108–112).

37. Upon enquiry, the Advisory Committee was informed that there are no known recent precedents of such cession of land by the United Nations to host country authorities. The Secretariat considers that the cession of land to the Swiss Federal Railways was an anomalous occurrence, given the unique condition that United Nations-owned land is located immediately adjacent to a railway, and is not precedent setting for any future such similar property disposal actions. The Committee was

further informed that, according to the Secretariat, the cession was executed in compliance with applicable Financial Regulations and Rules of the United Nations, specifically financial rules 105.23 and 105.24 related to the disposal of property.

38. **The Advisory Committee is of the view that, given its unique circumstances, the cession of United Nations-owned land is not precedent setting and trusts that an update on the implementation of the detailed agreement on the Swiss Federal Railways infrastructure project will be provided in the next report of the Secretary-General.**

39. **The Advisory Committee also recommends that the General Assembly request the Secretary-General to ensure that, in the future, any request for land cession by the United Nations be presented to the Assembly for its consideration, as appropriate.**

Day-care centre

40. In his report, the Secretary-General indicated that the initiative between the United Nations Office at Geneva and the World Intellectual Property Organization (WIPO) to consider building a day-care facility on land owned by the United Nations Office at Geneva had been put on hold, as WIPO intended to review further its scope and business case, also owing to the potential impact of the pandemic. The ongoing review by WIPO is anticipated to conclude at the end of 2022 ([A/76/350](#), paras. 113–115). **The Advisory Committee trusts that updated information will be provided in the context of the next report.**

VI. Conclusion

41. The actions requested of the General Assembly are contained in paragraph 118 of the report of the Secretary-General. **Subject to its recommendations and observations above, the Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General.**

Annex

A. Monthly actual expenditure for the period January 2019–September 2021

2019

(Swiss francs)

<i>Cost type</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>Total 2019</i>
Construction and refurbishment	2 823 270	1 439 123	1 606 054	1 434 484	1 158 348	1 064 889	2 993 814	1 377 668	–	4 315 650	3 454 196	14 360 824	36 028 320
Design, consultancy and contracted external expertise	(301)	1 656 593	313 469	21 437	2 344 081	683 333	823 264	385 615	2 126 669	1 040 049	462 042	2 407 558	12 263 810
Associated costs	–	–	–	–	–	–	4 470	15 012	–	3 800	2 280	4 341	29 903
Project management team and operational expert team	281 059	298 715	327 207	300 630	305 170	363 182	255 789	318 800	409 361	479 391	342 379	335 035	4 016 718
Travel	7 651	6 012	6 786	17 406	–	5 747	6 216	16 360	4 048	4 351	(724)	–	73 852
Total	3 111 679	3 400 442	2 253 516	1 773 957	3 807 599	2 117 150	4 083 553	2 113 455	2 540 079	5 843 241	4 260 174	17 107 758	52 412 604

2020

(Swiss francs)

<i>Cost type</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>Total 2020</i>
Construction and refurbishment	(511 710)	1 115 857	10 545 808	7 215 422	4 466 071	1 333 157	2 592 414	4 656 476	4 372 921	4 807 439	5 432 078	11 274 081	57 300 015
Design, consultancy and contracted external expertise	(1 765 857)	686 748	2 908 189	1 457 710	760 436	657 675	1 050 683	1 742 660	511 664	1 178 978	1 094 193	2 118 372	12 401 453
Associated costs	–	242 903	4 378	37 097	16 087	–	16 411	31 759	56 715	738	287 834	381 137	1 075 059
Project management team and operational expert team	290 189	318 623	320 516	331 887	430 338	517 535	468 996	397 988	325 496	340 237	346 604	332 824	4 421 233
Total	(1 987 379)	2 364 130	13 778 892	9 042 117	5 672 933	2 508 367	4 128 504	6 828 883	5 266 795	6 327 393	7 160 710	14 106 415	75 197 760

2021

(Swiss francs)

<i>Cost type</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>Total January–September 2021</i>
Construction and refurbishment	390	857 314	3 777 146	4 128 908	7 339 268	6 075 444	5 322 728	7 083 926	7 476 623	42 061 747
Design, consultancy and contracted external expertise	32 832	908 454	823 625	799 280	997 577	957 576	661 118	501 344	1 502 865	7 184 671
Associated costs	–	–	690 433	2 338 412	1 666 216	526 079	273 888	205 829	897 243	6 598 100
Project management team and operational expert team	271 472	284 737	287 861	328 024	286 585	313 056	376 556	270 412	249 350	2 668 053
Travel	–	–	269	–	–	–	–	36	820	1 125
Total	304 694	2 050 505	5 579 334	7 594 624	10 289 646	7 872 156	6 634 291	8 061 548	10 126 901	58 513 697

B. Monthly projected expenditure for the period October–December 2021

(Swiss francs)

<i>Cost type</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>Total October–December 2021</i>
Construction and refurbishment	9 808 890	9 780 866	8 723 921	28 313 677
Design, consultancy and contracted external expertise	387 247	232 334	387 247	1 006 827
Associated costs	333 453	1 447 635	63 761	1 844 849
Project management team and operational expert team	416 721	416 721	357 783	1 191 224
Travel	13 688	17 292	17 292	48 272
Total	10 959 999	11 894 847	9 550 004	32 404 850

C. Monthly projected expenditure for the period January–December 2022

(Swiss francs)

<i>Cost type</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>Total 2022</i>
Construction and refurbishment	14 168 750	15 677 456	15 814 572	9 930 523	6 771 432	6 076 558	5 161 147	4 434 923	5 107 045	6 986 308	7 637 727	7 547 152	105 313 592
Design, consultancy and contracted external expertise	3 758 649	1 739 710	1 200 222	1 393 418	1 343 811	1 026 515	1 076 792	903 262	903 905	949 635	950 281	950 927	16 197 126
Associated costs	1 279 940	501 550	1 004 957	429 126	243 965	251 926	259 672	320 716	2 724	809 005	567 778	557 669	6 229 027
Project management team and operational expert team	325 435	325 869	326 303	326 738	327 174	327 610	328 047	328 485	328 922	329 361	329 800	330 240	3 933 985
Travel	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	50 000
Total	19 536 940	18 248 752	18 350 220	12 083 972	8 690 549	7 686 776	6 829 824	5 991 552	6 346 763	9 078 476	9 489 753	9 390 155	131 723 731