



General Assembly

Distr.: General
8 September 2022

Original: English

Seventy-seventh session

Item 139 of the provisional agenda*

Proposed programme budget for 2023

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 sixth 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 VII of resolution [76/246](#).

The report provides an update on progress made on the project since the previous report of the Secretary-General ([A/76/313](#)) and outlines the activities undertaken, including key procurement activities, in particular the award for the main construction works, change management and business readiness, the completion of the moving of occupants to on-site swing space facilities, and the start of the main construction works.

During the reporting period, considerable progress has been made to conclude the award of key contracts, including the general construction contract. Despite some initial challenges and delays, partly resulting from the impacts of the coronavirus disease (COVID-19) pandemic, the main construction commenced in late 2021 and works are currently progressing well, with construction still 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 \$10,902,400 for 2023.

* [A/77/150](#).



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I. Introduction

1. The present report is the sixth 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 its approved objectives. The present report provides an update on key actions taken to achieve those objectives and to respond to the requests and decisions of the General Assembly in its resolution [76/246](#), including the following: engagement with member States and support from the host Government; project governance and accountability; risk management; occupational safety and health measures (including those related to the coronavirus disease (COVID-19) pandemic); energy efficiency; and efforts made to comply with relevant building standards and best practices for persons with disabilities.
3. The successful award of all key contracts, including the contracts for the main construction works and for the survey for the removal of hazardous materials from the ESCAP premises, is detailed in the report, with an update on the completion of the moving of staff into on-site swing spaces and the outcome of the flexible workspace pilot project.
4. Updates on the construction works, which started in the third quarter of 2021, updates on the project schedule in accordance with the current construction timeline, and a revised cost plan, remaining within the overall approved maximum cost, are provided.
5. The ESCAP project team, with the support of the Global Asset Management Policy Service at United Nations Headquarters and of the independent risk management consultant, continues to identify and manage the project risks. The team continues to seize every opportunity to implement value engineering measures and will do so throughout the project duration to manage any cost overruns without compromising the approved objectives of the project.

II. Project objectives and benefits

A. Project objectives

6. The main purpose of the project is to implement life safety measures for staff, delegates and visitors at the Commission's premises in Bangkok. The key project objectives established at the inception of the project remain unchanged. They include: meeting industry norms related to health and safety issues, facilities preparedness and design against potential natural disasters and emergency situations, including seismic events; ensuring compliance with the Convention on the Rights of Persons with Disabilities; ensuring the removal of hazardous materials from the facilities; improving space usage efficiency; modernizing and upgrading outdated major building systems; moving towards more energy-efficient facilities; and ensuring business continuity throughout project implementation.
7. Appropriate measures have been put in place in the context of the COVID-19 pandemic to ensure the health and safety of staff, visitors and other personnel working on the project.

B. Project benefits

8. Throughout the planning, design and construction phases, the project team has continued to work to ensure that the project delivers the benefits as indicated in paragraph 8 of the previous progress report ([A/76/313](#)), which remain unchanged.

III. Project governance, management and accountability

A. Project governance

9. The Executive Secretary of ESCAP, in her role as project owner, has designated the Director of Administration to serve as project executive. The day-to-day management of the project is under the leadership of the Project Manager.

Stakeholders committee

10. During the reporting period, the stakeholders committee met three times (in October 2021 and February and July 2022). Owing to the COVID-19 pandemic, the committee meetings continue to be held virtually. The project also engaged with its stakeholders through several networks, such as the ESCAP Environmental Management System Steering Group, the ESCAP Innovation Task Force, the ESCAP Accessibility Working Group and the ESCAP Occupational Safety and Health Committee, all of which include participation of both ESCAP and the United Nations agencies, funds and programmes located at the premises. In addition, the project team continued regular engagement with the staff council representatives within the premises to ensure that staff concerns are considered.

Coordination and oversight by the Global Asset Management Policy Service

11. The Global Asset Management Policy Service at United Nations Headquarters has continued to engage closely with the project management team, in line with the terms of the coordination agreement signed in 2017. It remains actively involved in overseeing the project, with emphasis on risk management and alignment with lessons learned and best practices from other United Nations projects.

12. The Global Asset Management Policy Service is supported by an international professional firm, which provides independent risk management services for the ESCAP project and conducts quarterly risk assessment meetings, the outcome of which is the biannual risk management reports to the project owner and the annual risk management workshop to gather and conduct a Monte Carlo analysis, which takes data from the project's estimated costs and risk register to assess the potential impact that these risks could have on the overall project schedule and budget.

B. Project management

Project team

13. Of the 13 initially approved temporary positions, 3 previously expired and have not been extended (Civil and Structural Engineer (P-3), Procurement Officer (P-3) and Building Mechanical, Electrical and Plumbing Service Engineer (National Professional Officer level)); 6 are presently encumbered; 2 (Safety Project Officer and Information Technology Assistant, both local level) are under recruitment; and 2 will remain vacant in order to contain project management costs (one Security Officer and one Information Technology Assistant, both local level).

14. The initial efforts to recruit a Safety Project Officer (local level) were not successful and the position has been readvertised. The position of the Information Technology Assistant (local level) is under recruitment following the departure of the previous incumbent in late June 2022. The functions of the second of the two approved positions of Information Technology Assistant and of the on-site Security Officer, both local level, will be performed from within existing capacities and, hence, will not be filled. The first Information Technology Assistant position and the on-site Security Officer will support the project until December 2023, within the maximum cost approved for the project.

Table 1

Project management positions: incumbency from project inception

<i>Positions</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023 planned</i>
Project Manager (P-5)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Project Engineer (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Civil/Structural Engineer (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	–	–	–
Building Mechanical, Electrical and Plumbing Service Engineer (NPO)	–	–	Encumbered	Encumbered	Encumbered	Vacant since March; no recruitment planned	–
Logistics Coordination Officer (NPO)	–	–	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Safety Project Officer (LL)	–	–	Vacant	Vacant	Vacant	Under recruitment	Encumbered
Administrative and Finance Assistant (LL)	Encumbered	Encumbered	Encumbered up to November	Vacant	Vacant	Encumbered since February	Encumbered
On-site security staff – swing space (LL)	–	–	–	–	Encumbered	Encumbered	Encumbered
On-site security staff – swing space (LL)	–	–	–	–	–	–	–
On-site IT support staff – swing space (LL)	–	–	Encumbered	Encumbered	Encumbered	Vacant since June; under recruitment	Encumbered
On-site IT support staff – swing space (LL)	–	–	–	–	–	–	–
Project Coordinator (P-4), located at United Nations Headquarters	Encumbered; equal cost-sharing between ESCAP and ECA	Encumbered; equal cost-sharing between ESCAP and ECA	Encumbered; equal cost-sharing between ESCAP and ECA	Encumbered; equal cost-sharing between ESCAP and ECA	Encumbered; no cost was borne by ESCAP ^a	Encumbered; no cost was borne by ESCAP ^a	Encumbered; equal cost-sharing between ESCAP and ECA
Procurement Officer (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	–	–

Abbreviations: ECA, Economic Commission for Africa; ESCAP, Economic and Social Commission for Asia and the Pacific; IT, information technology; LL, Local level; NPO, National Professional Officer.

^a The Project Coordinator (P-4) at Headquarters was cost-shared equally between Africa Hall at the Economic Commission for Africa and the Economic and Social Commission for Asia and the Pacific (ESCAP) seismic mitigation project from 2017 to 2020. During 2021 and 2022, the position has been cost-shared equally between Africa Hall and the replacement of office blocks A–J at the United Nations Office at Nairobi on the basis of an overall consideration of the requirement and progression of the related construction projects. For 2023, the P-4 Project Coordinator position will revert to being cost-shared equally between Africa Hall and the ESCAP seismic mitigation project. The cost plans of the related projects have been updated accordingly. The position has been encumbered since 2017 and provides important support to ongoing construction projects.

C. Project accountability

15. In section IV, paragraph 13, of its resolution [71/272](#) A, the General Assembly 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.

16. The sixth annual audit of the project was conducted in March and April 2022 and covered the period from March 2021 to February 2022. The audit was conducted in person at ESCAP in March 2022. During the visit, OIOS representatives had the opportunity to see the progress made on the main construction works.

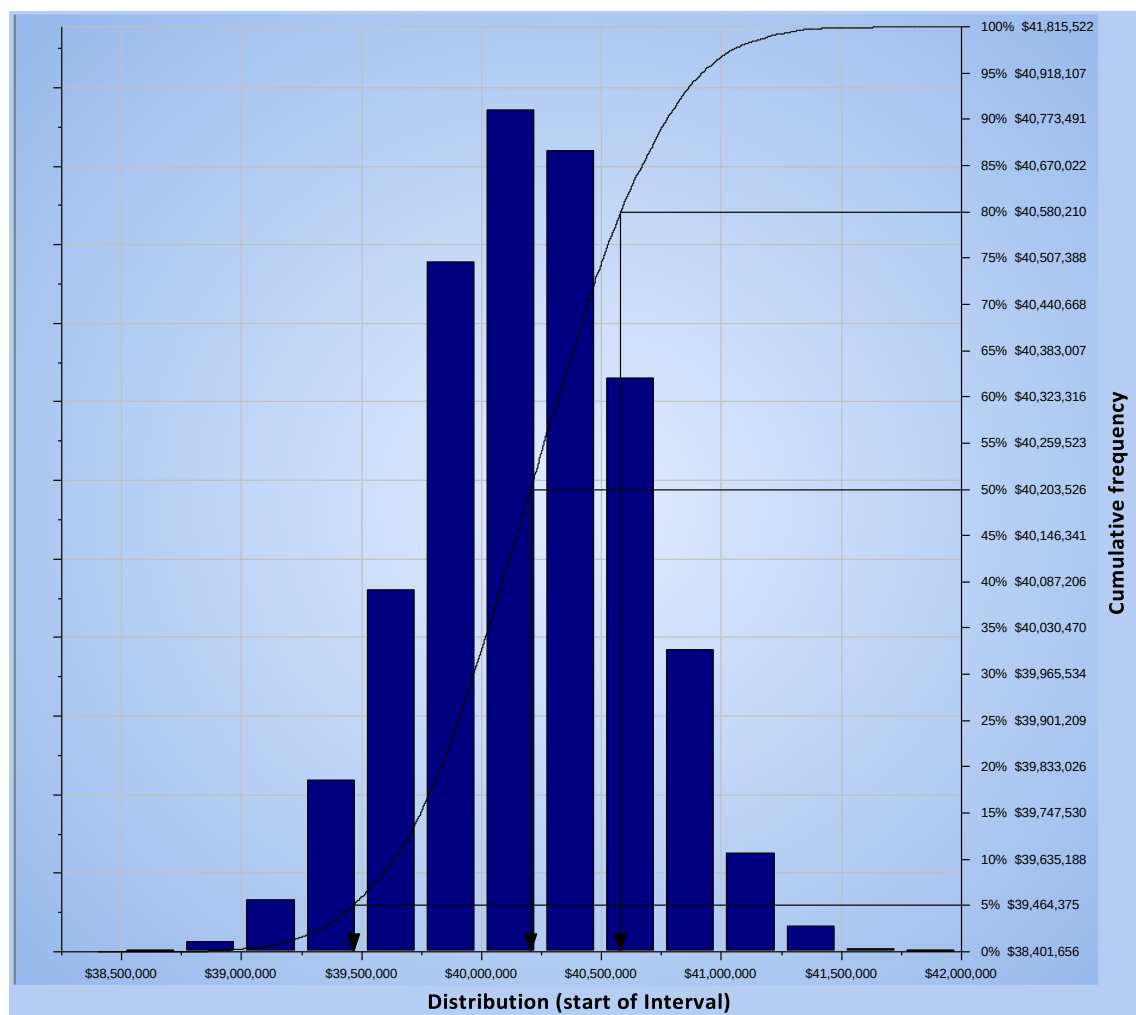
17. The areas covered included project management, procurement activities and project governance and oversight mechanisms. The final report was published in June 2022, and five recommendations have been made by OIOS and accepted by ESCAP. The complete report (internal audit report No. 2022/022) can be found on the OIOS website at <https://oios.un.org>.

IV. Risk management

18. The first risk management workshop, conducted in March 2018 in Bangkok, 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. Since 2018, the independent risk management consultant has produced eight reports (two each year).

19. The Monte Carlo analysis serves to provide an estimate of the most likely overall cost of known risks, at the time at which inputs are analysed. The initial Monte Carlo analysis conducted in 2018 was based on estimated costs rather than actual costs. Since then, a contract has been awarded and works have commenced. In June 2022, the latest Monte Carlo analysis determined the current project risks and the likelihood of achieving the “P80” benchmark that has been established as the target confidence level for major capital projects, a summary of which is shown as a cost histogram in figure I.

Figure I
Cost histogram of analysed risks as of June 2022



20. The most current Monte Carlo simulation indicates that at the United Nations benchmark “P80” level, the project cost would be approximately \$40.60 million, or \$0.56 million over the approved 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 35 per cent, which is a slight increase from 27 per cent in the previous annual analysis. While the confidence level has risen, there remains a level of uncertainty around high value infrastructure systems, owner-directed changes and unforeseen conditions. The level of confidence is expected to rise with the continuation of risk mitigation measures as the project progresses.

Integrated risk management

21. Integrated risk management is performed at the local level by the project team and supported by its construction administration firm. At the time of drafting the present report, the project had reached 40 per cent completion of phase 1 construction. Many of the risks that are given the highest priority continue to be associated with high-value infrastructure construction items and unforeseen conditions that may arise

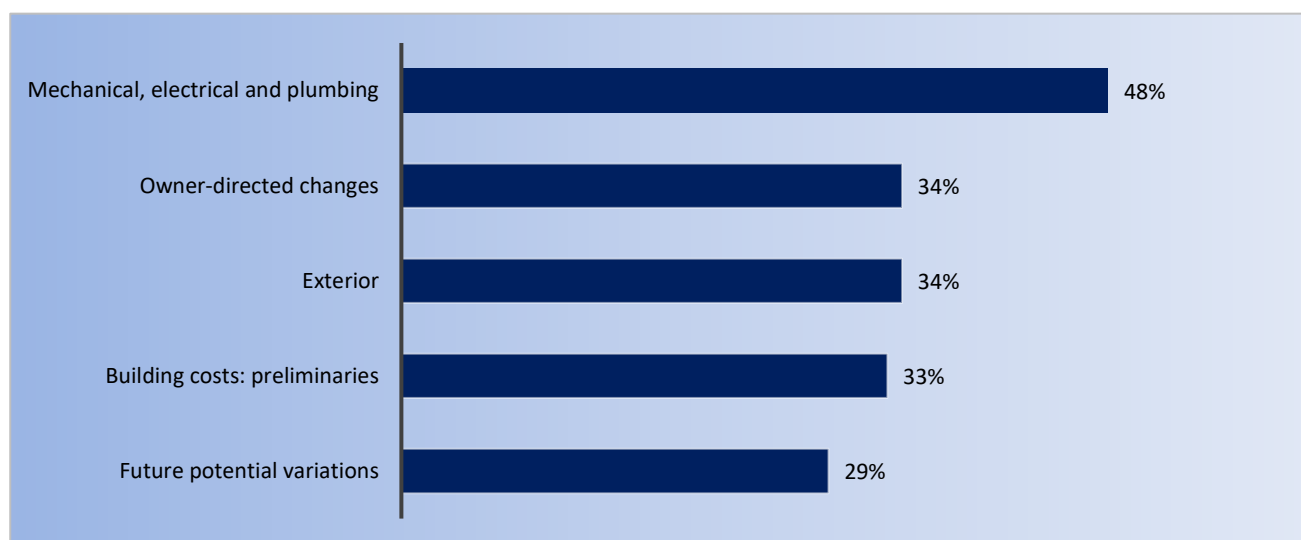
during construction. Although risks are managed and mitigated, some risks, such as owner-directed changes, will remain beyond the control of ESCAP.

Risk register

22. The project risk register, established in line with the Risk Management Strategy (A/73/327, para. 21) is updated on a regular basis by the project team. There are currently 19 active risks and two opportunities that are being managed. As previously noted, the risk register is a dynamic documentation tool that is fully coordinated with the Monte Carlo analysis process through the end of the project with 22 closed risks at the time of drafting.

23. 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, while table 2 compares the risks over time.

Figure II
Cost-sensitivity (“tornado”) chart as of June 2022



Description of the top five project risks

24. 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) **Mechanical, electrical and plumbing.** This risk persists owing to the high value and broad scope of the three infrastructure categories. The mechanical and electrical works extend throughout the entire building and require continued careful coordination and integration with existing building infrastructure and control systems; therefore, the likelihood of unforeseen conditions and relatively high cost of these elements continues to place this risk among the top five risks. The risk continues to be mitigated through close surveillance of the existing site conditions by project engineers and the general contractor, with the aim of implementing value engineering measures wherever possible. However, the risk is not completely avoidable. It has gone up in ranking since the previous year owing to more information on existing conditions and related challenges becoming available with the start of the main construction works in November 2021;

(b) **Owner-directed changes: late design requirements and/or optional scope additions.** This risk refers to owner- or client-directed adjustments that require variations to the final design, potentially resulting in additional costs during construction. Of the approximately 30 United Nations entities present at the ESCAP premises, several are undergoing restructuring in composition and operations, which entail associated changes to requirements. ESCAP has taken measures to mitigate the risk, with a multi-prong approach focusing on the following areas: (i) frequent and regular close consultations with stakeholders to understand client needs well in advance in order to avoid late changes; (ii) establishing a base design of the typical floor plan for all clients, based on which the project team conducts one-on-one discussions with each client group to obtain formal approval and sign-offs, prior to preparing construction documents, to minimize change requests; (iii) instituting a procedure to manage change requests, through which any deviation from the established base design or any other client-requested change is submitted for review by the project change control board, headed by the Project Executive, with approval only given if there are no impacts on the project's cost or schedule. Reflective of the significant level of client engagement and the robustness of the formal change request management procedure in place, this risk has been managed and has moved down in ranking since the previous year. It has also moved down because the mechanical, electrical and plumbing risk has risen in the ranking since the previous year;

(c) **Exterior: marble cladding/exterior façade.** The façade design solution covers a large area spanning two sides of a 15-floor building and carries inherent design and construction risks, as it pertains to weatherproofing and insulation. Upon removal of the existing marble cladding, the contractor found the shear wall to be in poor condition, requiring previously unanticipated concrete repairs. Other concerns under this risk are related to fabrication and installation quality and limited market warranty options. In addition, while there is more certainty with regard to the cost of structural work, there is still the risk of unforeseen problems with existing structural conditions. This risk was in the top five risks in 2020 but fell off the list in 2021. Its reappearance in the top five risks in 2022 is due to more information on existing conditions and on challenges related to implementing a new solution becoming available with the start of the main construction works in November 2021. To mitigate the risk, the project team and the general contractor are working closely to arrive at the most appropriate and sustainable solutions;

(d) **Building costs: preliminaries.** This risk relates to what has been identified as the preliminaries section of the contract, which contains the on-site general contractor costs, spanning a broad spectrum of items such as the erecting and later removal of site facilities and scaffolding, as well as ongoing time-related items such as personnel costs. If the project suffers a delay, the additional cost of items charged on a time-related basis will be incurred by the contractor and charged to the project. This risk appeared for the first time in the top five risks this year, owing to the start of the main construction works in November 2021 and potential delays due to COVID-19 and other factors becoming apparent. To mitigate the risk, the project team is closely monitoring progress and the project schedule to prevent delays and identify efficiencies wherever possible;

(e) **Future potential variations.** This risk relates to future unknown conditions that may arise as construction progresses. The renovation of existing buildings carries an inherent risk of unforeseen conditions that may require variations to the approved design. This risk appeared for the first time in the top five risks this year, owing to the start of the main construction works in November 2021, which naturally brings up issues that require potential variation orders due to existing conditions and new design integration issues. To mitigate the risk, the project team and the construction administration consultant are closely monitoring the general

construction activity to arrive at cost-effective and timely solutions to variations which may arise. Nevertheless, the risk is not completely avoidable.

Table 2
Comparison of top five risks over time

2020 (see A/75/235, para. 31)	2021 (see A/76/313, para. 27)	2022 (see para. 24)
1. Currency exchange risk	1. Owner-directed changes: late design requirements and/or optional scope additions	1. Mechanical, electrical and plumbing
2. Exterior: marble cladding/ exterior façade and glazing	2. Schedule delay in construction start owing to COVID-19	2. Owner-directed changes: late design requirements and/or optional scope additions
3. Owner-directed changes: late design requirements and/or optional scope additions	3. Currency exchange risk	3. Exterior: marble cladding/ exterior facade
4. Mechanical, electrical and plumbing	4. Mechanical, electrical and plumbing	4. Building costs: preliminaries
5. Schedule delays in construction start owing to COVID-19	5. Project management	5. Future potential variations

Abbreviations: COVID-19, coronavirus disease.

V. Progress made on the project during the reporting period

A. Cooperation with member States and the host Government

Member States

25. ESCAP continues to provide project updates to 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. Project updates have been provided at five Advisory Committee meetings since September 2021, highlighting key milestones and providing specifics on opportunities to support the project through voluntary contributions.

26. 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 project support through voluntary contributions and in-kind contributions of technical experts, including Junior Professional Officers or United Nations Volunteers. She has also reached out by formal note verbale to at least three member States, while the Executive Secretary of ESCAP, in her role as project owner, has issued a memorandum seeking voluntary contributions from 62 States members and 9 associate members of the Commission. Although several of the memorandum recipients have indicated initial interest and responded with requests for additional information, the secretariat has received no concrete offers to date.

27. ESCAP conducted tours of the construction site for interested member States to provide more insight on the project, including the alignment of its objectives with the Sustainable Development Goals. Several visits have already taken place in 2022, with

outreach being conducted to schedule many more. ESCAP will continue its outreach efforts by leveraging a recently formulated resource-mobilization strategy to follow up with member States more effectively throughout the duration of the project.

Host country relations

28. ESCAP continues to engage closely with the Ministry of Foreign Affairs of Thailand to seek assistance and support for the project. Since the previous progress report was issued, ESCAP has conducted three virtual meetings and three in-person meetings with representatives of the Ministry's Department of International Organizations. The in-person meetings included visits to the ESCAP premises by senior officials, including a tour of the swing space inaugurated in 2021 and a tour of the main construction site in mid-2022. The host Government further supported ESCAP in December 2021 when the Deputy Permanent Secretary for Foreign Affairs of Thailand joined the Executive Secretary of ESCAP and the senior leadership of the general construction company as a guest of honour at the groundbreaking ceremony to formally inaugurate the construction works.

29. Upon commencement of construction during the COVID-19 pandemic, the host Government authorities advised ESCAP on specific measures to be put in place by the general contractor to ensure compliance with local health and safety regulations and manage and mitigate COVID-19-related risks. The advice enabled the general contractor and subcontractors to develop a robust COVID-19 response plan and avoid delays in commencing the construction phase.

30. The host country also facilitated introductions to the new leadership of the Council of Engineers of Thailand and relevant focal points of the Bangkok Metropolitan Authority, which allowed the project team to consult directly on the formalities required to commence construction.

31. As the construction phase progresses, the Division of Administration and the project team at ESCAP will continue to stay in close contact with the Department of International Organizations of the Ministry of Foreign Affairs of Thailand to provide updates on the project and seek assistance as required.

B. Status of voluntary contributions

32. In 2021, ESCAP benefited from the expertise of a United Nations Volunteer graduate student in civil engineering through a partnership between the United Nations Volunteer programme in Thailand and King Mongkut's University of Technology Thonburi, with the University providing funding for six months.

33. No other concrete offers of voluntary contributions have been received by ESCAP. However, further to the extensive outreach and engagements that ESCAP has already conducted with the host Government and other member States on the subject, ESCAP remains hopeful that support will be received. In addition, in response to an OIOS recommendation from its 2022 internal audit report, ESCAP now includes voluntary contributions as a regular agenda item at its quarterly stakeholders committee meetings.

C. Local knowledge and lessons learned

34. ESCAP continues to leverage opportunities to benefit from local knowledge and lessons learned in project activities, including the removal of hazardous materials from the premises, local engineering expertise provided by a United Nations

Volunteer graduate student in civil engineering, as explained above, and the continued support provided by the Bangkok Metropolitan Authority.

Licensed hazardous materials expert

35. ESCAP has retained the professional services of a licensed hazardous materials expert with requisite knowledge of the removal and disposal of hazardous materials in the local context.

36. The expert and her team from Mahidol University in Thailand have developed the scope of work for the removal of hazardous materials and are currently providing oversight and guidance on the ongoing abatement works conducted by the general contractor's removal team. Owing to her thorough understanding of the local conditions and standards in this area of work, the expert has been successfully collaborating directly with the local contractor, disposal consultants and occupational safety and health officers to communicate the standard operating procedure for removal and disposal while observing the highest standards of occupational safety and health.

United Nations Volunteer graduate student in civil engineering from King Mongkut's University of Technology Thonburi

37. As mentioned in paragraph 32, a United Nations Volunteer graduate student in civil engineering, arranged through King Mongkut's University of Technology Thonburi, worked with the ESCAP project team for six months, supporting the review of technical engineering documents related to the onboarding of the general construction contractor and the technical review of and input on the ongoing value engineering exercises. This partnership provided the opportunity for a local graduate student to gain valuable experience on a major capital project of the United Nations and provided the ESCAP project with an opportunity to benefit from local expertise and technical knowledge.

38. ESCAP is in further discussions to invite more volunteers from the University to work with the project team in the upcoming year.

Support received from the Bangkok Metropolitan Authority

39. As detailed in the subsection on host country relations, ESCAP continued to rely on the advice and guidance of officials from the Bangkok Metropolitan Authority prior to the commencement of the main construction works. The project team directly consulted the relevant Authority officials on the requirements from ESCAP and the general contractor. The Authority conducted the review and approval of the required submittals to facilitate the timely start of the main works in late 2021.

D. Procurement

40. The project team and the ESCAP Procurement Unit concluded the solicitation activities for key project contracts, successfully concluding the tendering phase of the project in late 2021.

Contract for the general construction works

41. The Secretary-General reported in the fifth progress report ([A/76/313](#)) that a qualified bidder had been recommended for contract award, based on the established principle of best value for money. Upon the recommendation of the Headquarters Committee on Contracts, the project team and the ESCAP Procurement Unit engaged in contractual negotiations and extensive value engineering exercises with the bidder

to bring the bid price down to a value within the construction budget as included in the maximum overall cost of the project approved by the General Assembly. As an outcome of these exercises, the final value of the contract was reduced by more than 16 per cent from the original bid value, without compromising key scope or quality.

42. The contract was signed on 14 October 2021 and construction commenced on 23 November 2021.

Contract for moving and logistical services

43. The contract for moving and off-site storage services was awarded in August 2021. The B block of the secretariat building was vacated prior to the start of construction works, with its occupants relocated to the swing space. This contract remains active to provide services until the end of 2023.

Contract for construction administration services

44. Following a successful competitive bidding process, ESCAP signed a contract in September 2021 with a locally based consultancy firm to provide construction administration services during the construction and close-out phases of the project. The consultancy replaces the phases 5 and 6 services originally covered under the scope of the lead design consultant who completed and submitted the main design for the project (see sect. V.E for more details).

Contract for the provision of hazardous material survey and sampling services

45. The removal of hazardous materials in the areas affected by the construction works is one of the objectives of the project. An initial campus-wide survey conducted in 2016 found a minimal presence of asbestos-containing material in the secretariat building ([A/71/333](#), para. 24). On the basis of the results and recommendations of the survey, ESCAP conducted a second quantitative hazardous material survey of the premises. The contract for the survey was signed in April 2021, and the final report detailing the outcome and proposed removal methods was submitted to the general contractor in December 2021. The contract was concluded in March 2022.

Contract for office furniture

46. As noted in the fifth 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.

47. After technical and commercial evaluations using the principle of best value for money, ESCAP awarded five furniture contracts to three furniture providers in early 2022. The contracts will provide primary seating, general office furniture and soft seating to meet the furniture requirements under the interior renovation scope of the project.

48. The solicitation exercise for the furniture contracts was conducted as a joint activity between ESCAP and the Economic Commission for Africa to meet their common furniture requirements and leverage 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. Taking into account the outcome of this exercise, which successfully attracted many competitive bids for both locations, this initiative can be considered a best practice in procurement collaboration between United Nations entities.

E. Consultancy services

49. In addition to the contract for the main construction works, ESCAP has several consultancy contracts in place to fill the gaps in capacity and expertise within the project team.

Construction administration consultants

50. As detailed in section V.D of the present report, ESCAP awarded a contract for the provision of construction administration and on-call provision of design services in September 2021.

51. Although the lead design consultant firm based in Spain delivered the project design, for the construction and close-out phases, it was deemed to be in the best interest of ESCAP to benefit from the local expertise of a firm with a greater degree of local presence and extensive experience in managing similar projects in Thailand. It is also a more cost-efficient solution than using the lead design consultant firm, which is based abroad. Under this contract, three categories of services are provided: (a) day-to-day monitoring, oversight and administering of the general contractor's works, submittals and periodic invoices for works completed that are submitted for ESCAP approval; (b) further development of the main design and production of construction documents; and (c) on-call design and technical services to support the project as required.

Seismic design consultants

52. The seismic reinforcement design for the secretariat and service buildings under the scope of this project was delivered by a seismic engineering team from the Asian Institute of Technology in Thailand. During the design phase of the project, the Institute team worked with the project team and the lead design consultant to incorporate the seismic design scope into the renovation design of the project. While the lead design consultant has the design liability for the overall design of the retrofit works, the Institute holds the design liability for the seismic design.

53. During the tendering phase for the construction contract, the Asian Institute of Technology advised on the technical aspects related to the seismic design in the proposals submitted by potential bidders. During the ongoing construction period, the Institute team conducts site visits to monitor the seismic reinforcement work-in-progress and provide guidance to the general contractor as needed, until the completion of the project.

Independent risk management consultants

54. ESCAP receives support in managing project risks from the independent risk management firm contracted by the Global Asset Management Policy Service. The firm conducts quarterly risk assessment touchpoint meetings with the project team, submits biannual progress reports to the project owner and conducts the annual Monte Carlo analysis workshop.

Licensed hazardous materials expert

55. ESCAP has retained the services of a licensed hazardous materials removal expert and her team from Mahidol University in Thailand to oversee the removal of asbestos-containing materials. The contract for this service is managed by the Facilities Management Unit at ESCAP, with task orders issued for works under the project scope as needed (see sect. V.C).

Moving and storage services

56. Following a successful solicitation process, ESCAP awarded a contract for the provision of moving and storage services in August 2021. The company to which the contract was awarded has since conducted the moving of approximately 800 staff into the swing space in the third quarter of 2021 and completed the full vacating of block B of the secretariat building prior to the start of the main construction works, including moving goods such as furniture into off-site storage facilities or disposing of items no longer needed.

57. After the phase 1 construction works, the moving company will relocate staff from the swing space into the renovated block B and will conduct disposals and moving of goods to storage space as required. After phase 2 construction, the final moving of occupants and goods will conclude the contracted tasks.

Architectural consultant and cost engineering consultant

58. The project hired two independent consultants, an architect and a cost engineer, to support the project team where gaps in capacity and expertise exist. The project's approved staffing did not include an architect, although the project has a significant design scope and requires extensive client interaction. To ensure the integrity of the project design and support robust client engagement, the architectural consultant conducts the internal review and acceptance of the project design and serves as the focal point who communicates directly with the United Nations agencies, funds and programmes and ESCAP divisions about their future office space in the secretariat building.

59. The cost engineering consultant was hired on a part-time basis to support the review of all cost proposals related to variations that are submitted by the general contractor, to ensure that changes are fully vetted and aligned with the overall approved scope and budget. The cost engineer also supports the project manager to develop the annual cost plan and provides cost information to support the annual Monte Carlo analysis conducted by the independent risk management firm.

F. Planning and design activities*Finalizing the design of the future workspace*

60. The project design for the interior renovation works and the future workspace was finalized in 2019. However, prior to starting the interior renovation works on each floor in the secretariat building, the project team engages each client group to finalize the space layouts and furniture selection for their future workspace.

61. While no major changes to the scope of the project are expected, including to the design of infrastructure items, such as mechanical or electrical works, certain adjustments to the interior spaces, primarily through the adjustment of furniture systems and non-structural interior elements, are being discussed with each client group to respond to changes in their operational requirements and to ensure compliance with COVID-19 health and safety standards. In addition, the project team will incorporate best practices and lessons learned from the flexible workplace pilot project conducted at ESCAP and from other secretariat locations, as well as from the #NewWork initiative and global dialogues series on reimagining the next normal.

Flexible workplace pilot project

62. The flexible workplace pilot project has been implemented in the newly constructed on-site swing space at the ESCAP premises. In addition to monitoring

flexible workplace practices, it also serves to test new ways of working prompted by the COVID-19 pandemic and is aligned with practices from the #NewWork initiative. The 1,200 square metre space provides approximately 100 seats for 328 occupants from 9 ESCAP divisions for a seat-to-occupant ratio of 3:10. Each division was assigned a pod of seats for use on a rotational basis by their staff, as required by their operations.

63. The space provides ergonomic furniture, including adjustable tables, chairs and mobile storage units for all workspaces, and other accessories and work tools, including personal lockers for all occupants, as well as support spaces such as meeting rooms. ESCAP issued a personal digital tool kit that included a laptop, wireless keyboard, a mouse and a headset to support every ESCAP staff member to be fully operational whether working in the office or from home. This flexible workspace pilot project has encouraged ESCAP staff to embrace agile and innovative ways of working.

64. In April 2022, ESCAP conducted a user satisfaction survey followed by an all-staff question-and-answer session to gather user feedback and implement improvements and adjustments. ESCAP will continue to monitor client satisfaction, make improvements and record best practices and lessons learned to inform the design of the future workspace in the secretariat building.

Business readiness and change management

65. The project team continued its business readiness activities in the third quarter of 2021 and successfully relocated 40 different client groups, including ESCAP and the other United Nations agencies, funds and programmes, out of the secretariat building and into the newly reconfigured on-site swing space. This involved over 800 occupant moves and the design and interior fitting out of 30 on-site swing space locations. This move, which was completed on schedule to vacate secretariat block B prior to the start of the construction phase in November 2021, was particularly challenging, given the COVID-19 restrictions and requirements for additional safety measures.

Occupational safety and health

66. ESCAP continues to enforce occupational safety and health standards and oversight in compliance with the its occupational safety and health framework and guidance from the Health-Care Management and Occupational Safety and Health Division at United Nations Headquarters.

67. The project team, occupational safety and health officers under the general contractor, and other project consultants work in close coordination with the ESCAP occupational safety and health officer to ensure that the construction works and site are in compliance with safety requirements. Any incidents of non-compliance are flagged immediately for remedial action. There are weekly safety and health meetings and site walks convened by the general contractor and attended by the project team and other key stakeholders to discuss and resolve construction safety matters.

G. Other matters

Accessibility

68. In compliance with General Assembly resolution [70/170](#), entitled “Towards the full realization of an inclusive and accessible United Nations for persons with disabilities”, and further to a survey of the ESCAP premises conducted by

accessibility specialists in 2017, ESCAP established an accessibility road map with a list of remedial actions required to achieve full accessibility at the premises.

69. The renovation works in the secretariat building will include measures to achieve accessibility to the greatest extent possible, while any aspects not covered by the scope of the project will be fulfilled under the ESCAP accessibility road map. The lead design consultants of the project were guided by universal accessibility guidelines and referred to the legislation of Thailand, United Nations best practices and the interior design code of Australia. The features being incorporated include the following:

(a) Movement in all public areas of the building will be accessible to persons with movement-related disabilities. Accessible entry to and exit from the building, doorways of sufficient width and that are easy to open and close, accessible turnstiles, materials, such as non-slippery floors and carpeting that support easy movement for wheelchair users, and ramps will be incorporated;

(b) Ergonomic furniture and accessories will be provided throughout the secretariat building and will have considerations for persons with physical disabilities. For example, electric height-adjustable tables will allow workstations to be used by persons with limited mobility, lockers and printer areas will be of accessible heights and sufficient width for easy movement, and movable and lightweight furniture accessories, such as whiteboards and screens, will also be available to support an inclusive work environment;

(c) Information and communications technology tools will have accessibility features, such as voice command capability and enhanced visual display for persons with full or partial visual disabilities. This will be delivered throughout the ESCAP premises as part of the secretariat's overall accessibility plan and will also be provided to occupants in the secretariat building outside the project scope;

(d) Vertical transportation has accessible controls at heights suitable for wheelchair users, as well as voice and Braille instructions on control panels. This scope has already been delivered by the ESCAP Facilities Management Unit outside the project scope as part of a project to maintain and upgrade the elevators in the building;

(e) Special considerations have been made for the emergency evacuation of persons with physical, visual or hearing disabilities, including the provision of evacuation chairs.

Energy efficiency gains

70. The project goal of a 16 to 18 per cent reduction in energy consumption and reduced long-term maintenance costs will be achieved through the design of several elements of the renovation works, including: (a) a new façade, including the replacement of the existing single-glazed windows on the North and South façades with double-glazed, laminated-aluminium-framed windows, with high light transmittance and low heat gain from outside to inside; (b) the replacement of existing deteriorated marble cladding on the exterior walls with a weather-resistant marble cladding system, and upgrading of the roof with a new rainwater drainage system and increased thermal insulation to reduce heat gain; (c) upgrading of the mechanical ventilation system with a higher-performing variable air volume system; and (d) new electrical systems, including new distribution and control panels, light-emitting diode (LED) lighting and the incorporation of a smart lighting control system with motion and daylight sensors. All new systems are being integrated into the existing building monitoring system to allow ESCAP to monitor performance and usage to ensure compliance with its Environmental Management System.

71. During the design phase, an energy model was developed to determine the savings expected from all the measures to be implemented. This energy model was revisited and updated prior to the start of construction to include changes made to the façade design and other building systems and to arrive at an updated energy model. The measured baseline of the secretariat's electricity consumption in 2019 (excluding elements outside the project scope, such as elevator power usage) was 3.04 GWh per year. Projected energy consumption after project completion is approximately 2.205 GWh per year. Therefore, the projected reduction in annual consumption is 0.83 GWh per year, which exceeds the 16 to 18 per cent target.

72. In terms of costs, the basic electricity rate in January 2019 was 3.280 baht/kWh, and in June 2022, the rate was 3.678 baht/kWh which represents a 12 per cent increase in costs. Because ESCAP has no control over the energy costs determined by the local authorities, it is not possible to accurately project the monetary savings at project completion. Therefore, the percentage savings is expressed in GWh.

H. Status of construction efforts

Construction methodology

73. As noted in the fifth progress report, ESCAP implemented an accelerated construction methodology with a shorter construction period of 24 to 30 months, with the main works to be completed by December 2023.

74. In accordance with the terms of the construction contract signed in October 2021, the works will be implemented in four phases. Phases 1A and 1B, covering block B of the secretariat building and partial central core, are foreseen to be completed in December 2022. Phases 2A and 2B, covering the block A tower, partial central core and seismic reinforcement works in the service building, are planned to be completed in December 2023.

75. In November 2021, ESCAP issued a notice to proceed for phases 1A and 1B. When phase 1 construction concludes, the phase 2 construction works in block A will commence, in December 2022, and will be completed by early December 2023. Thereafter, the final moving of ESCAP occupants into the secretariat building will be carried out. The contractor will hand over the completed project and begin demobilization works in late December 2023.

Mobilization and early works

76. From November 2021 to January 2022, the contractor set up on-site offices and staff facilities and brought equipment and materials to the site. The construction area was separated from the rest of the ESCAP premises by barriers, fencing and safety signage. Security cameras and a 24-hour staffed entry checkpoint to secure the construction site were installed.

77. By early January, exterior scaffolding installation on block B commenced. Temporary fire-rated partitioning was installed in the common core of the building to separate the construction area in block B from the staff-occupied areas in block A.

Approvals of materials, methods, procedures and occupational safety and health compliance plans

78. As part of the mobilization and early works, the contractor submitted compliance documents, including approvals for materials and methods, procedures for installation and demolition, and safety compliance for review and approval by ESCAP. No works proceeded prior to approvals and inspections by ESCAP.

79. The contractor was required to deploy a robust COVID-19 response plan to ensure that all workers and contractors on site are fully vaccinated, periodic antigen testing is conducted and regular COVID-19 safety awareness programmes for all contractors and subcontractors are conducted. A separate occupational safety and health plan and a sustainable waste management and disposal plan were also fulfilled in accordance with contractual requirements.

New construction of interior and exterior building elements

80. With the completion of the demolition works on the upper floors, the contractor commenced the installation of new building elements. The application of carbon fibre reinforced polymer to selected beams and columns in line with the seismic reinforcement design for the building commenced in April 2022 and is steadily progressing. The project seismic scope also includes the reinforcement of non-structural elements within the building, such as air conditioning ducts, ceilings, sprinkler systems and lighting systems, which are secured using steel cross-bracing to hold them securely in place in case of a seismic event.

81. Other ongoing new works include the installation of the new energy-efficient, aluminium-framed, double-glazed windows on both the North and South facades. This new window solution, together with the more efficient interior cooling system, are two of the key features which will help the project to achieve its energy efficiency goals.

82. The installation of the new mechanical, electrical and plumbing systems, the construction of the interior partitions, the painting and the installation of carpeting on the finished floors will follow thereafter. Once the general contractor's works have been completed on each floor, the delivery and installation of the new furniture systems will proceed.

83. The works in block B under phase 1 are 40 per cent complete as of 31 July 2022. The first seven floors will be completed and ready for the furniture systems installation by October 2022.

I. Project schedule

General construction contract award and start of the main construction works

84. The construction works commenced in November 2021, progressing well and steadily and gaining momentum with the near completion of phase 1 construction, which is expected to conclude in December 2022. Phase 2 works are expected to be completed by early December 2023. The close out is scheduled to begin in December 2023 and extend into early 2024, with the early involvement of the ESCAP Facilities Management Unit and information technology services, with no resource requirements anticipated for 2024.

85. The project team, supported by the construction administration consultant firm, monitors the progress of construction works daily to ensure there is no slippage which could cause delays in the overall completion of the project. 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 in place and updated accordingly.

86. Figure III provides an updated project schedule, while table 3 provides a comparison of the updated start and end dates of each phase and subphase.

Figure III
Updated project schedule

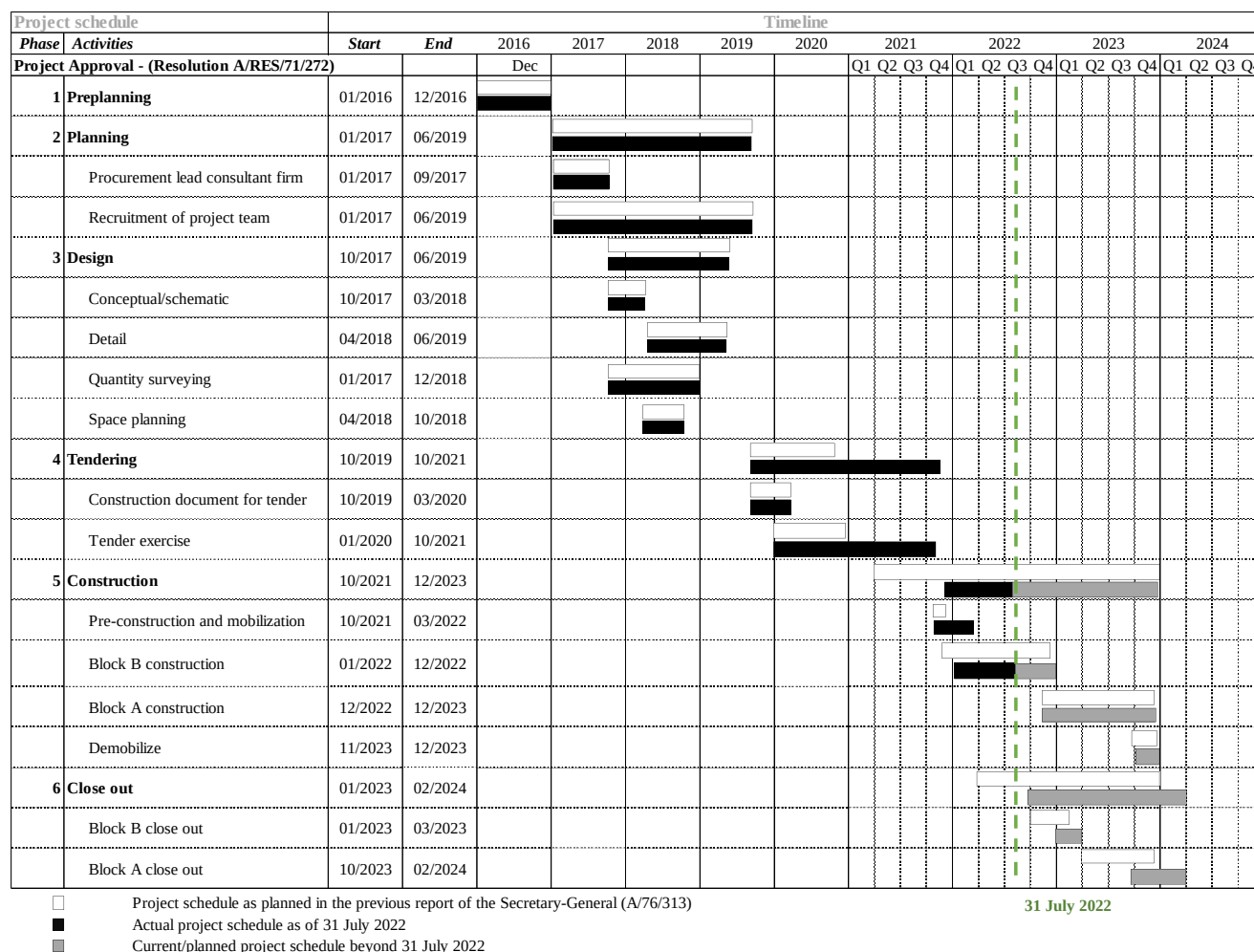


Table 3
Updated schedule in tabular format, compared with the schedule in the previous report

Phase/subphase	In current report		In previous report (A/76/313)		Change	Reasons
	Start	End	Start	End		
1. Pre-planning	01/2016	12/2016	01/2016	12/2016	No change	—
2. Planning	01/2017	06/2019	10/2017	06/2019	No change	—
Procurement of Lead Consultant Firm	01/2017	09/2017	01/2017	09/2017	No change	—
Recruitment of project team	01/2017	06/2019	01/2017	06/2019	No change	—
3. Design	10/2017	06/2019	10/2017	06/2019	No change	—
Conceptual/schematic	10/2017	03/2018	10/2017	03/2018	No change	—
Detail	04/2018	06/2019	04/2018	06/2019	No change	—

Phase/subphase	In current report		In previous report (A/76/313)		Change	Reasons
	Start	End	Start	End		
Quantity surveying	01/2017	12/2018	01/2017	12/2018	No change	–
Space planning	04/2018	10/2018	04/2018	10/2018	No change	–
4. Tendering	10/2019	10/2021	10/2019	12/2020	Extend by 10 months	Unsuccessful general contract bid which needed to be reissued
Construction document for tender	10/2019	03/2020	10/2019	03/2020	No change	–
Tender exercise	01/2020	10/2021	01/2020	12/2020	Extend by 10 months	Unsuccessful general contract bid which needed to be reissued
5. Construction	10/2021	12/2023	04/2021	12/2023	Start date delayed 6 months, but no change to end date	Delay in tendering phase
Pre-construction and mobilization	10/2021	03/2022	10/2021	12/2021	Extend by 3 months	Delay in tendering phase
Block B construction	01/2022	12/2022	12/2021	12/2022	Start date delayed 1 month, but no change to end date	Procurement phase delays
Block A construction	12/2022	12/2023	12/2022	12/2023	No change	–
Demobilize	11/2023	12/2023	11/2023	12/2023	No change	–
6. Close out	01/2023	02/2024	04/2022	12/2023	Start date delayed 9 months and end date delayed 2 months	Shifted construction schedule
Block B close out	01/2023	03/2023	09/2022	02/2023	Start date delayed 4 months and end date delayed 1 month	Preceding phase delay
Block A close out	10/2023	02/2024	04/2023	11/2023	Start date delayed 6 months and end date delayed 3 months	Preceding phase delay

J. Rental income

87. 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 have been maintained for 2022 and will have been maintained for 2023. The rental rates assessment for 2024–2025 and beyond was completed in September 2021, providing rates in baht equating to \$288 and \$300, respectively, based on a 2019 pre-COVID-19 market analysis. The rental market has softened owing to COVID-19, and the rates for 2024–2025 are scheduled to be re-evaluated later in 2022 to consider the current

market rates. There are already firm commitments from agencies to rent, once available, the space that will be provided by the projected 20 per cent space efficiency gains in the secretariat building of 1,800 square metres, with the space remaining in high demand even in the context of COVID-19. The commitments equate to an additional \$540,000 in annual rental income at the rate of \$288 per square metre. As recommended in the report of the rental assessment survey, rates will continue to be charged on a per-square-metre basis.

88. Table 4 shows the estimated rental income per year during the proposed construction period and at the end of the project in 2024 and 2025, where space efficiency improvements will provide additional rental space.

89. The table also includes the projected income from renting out 1,200 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 4
Estimated rental income
(United States dollars)

	2021	2022	2023	2024	2025
Rental rate (per annum per square metre)	264	264	264	288 (estimate)	288 (estimate)
Rental income	3 881 557	3 697 428	3 731 112	4 504 320	4 931 424
Future income (swing space)	—	—	—	342 720	—
Rental income	3 881 557	3 697 428	3 731 112	4 847 040	4 931 424

Note: Rental income for the years 2022–2025 are annual values and may change owing to changes in areas occupied during construction.

VI. Project expenditures and anticipated costs

A. Status of expenditure and projected expenditure up to the end of 2022

90. By its resolutions [71/272 A](#), [72/262 A](#), [73/279 A](#), [74/263](#), [75/253 A](#) and [76/246](#), the General Assembly appropriated a total amount of \$29,116,600 for the project for the period 2017–2022. The cumulative expenditure as of 31 July 2022 was \$17,611,400 and the projected expenditure for the remainder of 2022 amounts to \$7,713,500 as detailed in table 5.

91. As shown in table 5, a balance of \$3,791,700 is projected to remain unused at the end of 2022, owing to slippage, partially resulting from the impacts of the COVID-19 pandemic, in the start of the main construction works, which shifted to the fourth quarter of 2021.

Table 5
Status of expenditure as at 31 July 2022 and projection for the remainder of 2022

(Thousands of United States dollars)

	<i>Appropriated funding for the period 2017– 2022</i>	<i>Cumulative expenditure as at 31 July 2022</i>	<i>Projected expenditure from 1 August to 31 December 2022</i>	<i>Total projected expenditure for 2017–2022</i>	<i>Projected unused balance at the end of 2022</i>
	(a)	(b)	(c)	(d)=(b)+(c)	(e)=(a)-(d)
Section 33, Construction, alteration, improvement and major maintenance					
1. Construction costs	16 638.4	9 797.3	5 263.6	15 060.9	1 577.5
2. Professional services (consultancies)	3 920.8	3 351.1	394.4	3 745.5	175.3
3. Escalation	2 219.8	–	1 742.1	1 742.1	477.7
4. Contingency	1 219.6	–	–	–	1 219.6
Subtotal, section 33	23 998.6	13 148.4	7 400.1	20 548.5	3 450.1
Section 19, Economic and social development in Asia and the Pacific					
5. Project management	5 118.0	4 463.0	313.4	4 776.4	341.6
Subtotal, section 19	5 118.0	4 463.0	313.4	4 776.4	341.6
Total	29 116.6	17 611.4	7 713.5	25 324.9	3 791.7

B. Resource requirements for 2023

92. The resource requirements for 2023 (table 6) show a total projected expenditure for 2023 amounting to \$14,694,100 and comprising:

(a) \$898,100 under section 19 for the continuation of some of the existing project team positions (1 P-5, 1 P-4, 1 National Professional Officer and 3 Local level) and the Safety Project Officer position (Local level) that was approved in 2019 but not recruited in 2020 and 2021 owing to project delays. The Safety Project Officer position is under recruitment and expected to be onboarded by the third quarter of 2022 to support matters related to health and safety on the main construction works. The funding for 2023 also includes 50 per cent of the cost of the dedicated Project Coordinator in the Global Asset Management Policy Service at United Nations Headquarters;

(b) \$13,796,000 under section 33 for the main construction works, including furniture and fixtures, professional services, escalation and contingency.

Table 6
Resource requirements in 2023

(Thousands of United States dollars)

	<i>Projected expenditure in 2023</i>	<i>Projected unused balance at the end of 2022</i>	<i>Net funding requirement in 2023</i>
	(a)	(b)	(c)=(a)-(b)
Section 33, Construction, alteration, improvement and major maintenance			
1. Construction costs	10 257.1	1 577.5	8 679.6
2. Professional services (consultancies)	745.8	175.3	570.5
3. Escalation	1 742.1	477.7	1 264.4
4. Contingency	1 051.0	1 219.6	(168.6)
Subtotal, section 33	13 796.0	3 450.1	10 345.9

	<i>Projected expenditure in 2023</i>	<i>Projected unused balance at the end of 2022</i>	<i>Net funding requirement in 2023</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c)=(a)-(b)</i>
Section 19, Economic and social development in Asia and the Pacific			
5. Project management	898.1	341.6	556.5
Subtotal, section 19	898.1	341.6	556.5
Total	14 694.1	3 791.7	10 902.4

93. 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 \$3,791,700 at the end of 2022 will be carried forward to offset part of the resource requirement of \$14,694,100 for 2023. Consequently, the net resource requirement for 2023 amounts to \$10,902,400, comprising: (a) \$556,500 under section 19, Economic and social development in Asia and the Pacific; and (b) \$10,345,900 under section 33, Construction, alteration, improvement and major maintenance, of the proposed programme budget for 2023.

VII. Next steps

94. The actions to be undertaken during the next reporting period are:

- (a) Completing the removal of hazardous materials in compliance with the established safety standards and continuing to ensure the safety and well-being of staff and visitors to the ESCAP premises throughout the construction phase;
- (b) Continuing the value engineering exercises throughout the construction phase to ensure that the project costs stay within the approved budget;
- (c) Continuing construction to complete both phases 1 and 2 for blocks A and B of the construction works within the overall budget, while ensuring business continuity at the ESCAP premises;
- (d) Moving of occupants from the swing space into the renovated space in the secretariat building once phases 1 and 2 of the construction works are completed;
- (e) Continuing the change management and business readiness activities with ESCAP stakeholders, staff and tenants;
- (f) Continuing to manage the project risks, including the impact of the COVID-19 pandemic, using both independent and integrated risk management strategies;
- (g) Commencing the handover and close out activities of the project in accordance with procedures established in the project management plan.

VIII. Recommended actions to be taken by the General Assembly

95. The General Assembly is requested:

- (a) To take note of the report;
- (b) To appropriate an amount of \$10,902,400 for 2023, comprising \$556,500 under section 19, Economic and social development in Asia and the Pacific, and \$10,345,900 under section 33, Construction, alteration, improvement and major maintenance, of the proposed programme budget for 2023, which would represent a charge against the contingency fund.

Annex I

Revised cost plan

(Thousands of United States dollars)

	2017	2018	2019	2020	2021	2022	2023	Total	Reported in A/76/313	Difference
Section 33, Construction, alteration, improvement and major maintenance										
1. Construction costs										
1.1 Building costs	–	–	–	–	2 523.3	9 156.4	9 143.7	20 823.3	20 353.7	469.6
1.2 Swing space costs	–	–	1 535.6	999.8	356.5	299.3	1 113.4	4 304.6	4 272.3	32.3
1.3 Physical security system	–	–	–	13.4	112.2	64.4	–	190.0	190.0	–
Subtotal, construction costs	–	–	1 535.6	1 013.2	2 992.0	9 520.1	10 257.1	25 317.9	24 816.0	502.0^a
2. Professional services (Consultancies)										
2.1 Lead consultancy firm	201.8	1 366.3	197.2	0.3	–	–	–	1 765.6	1 765.6	–
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	22.6	27.6	25.0	183.1	240.7	(57.6)
2.5 Other services	125.8	57.0	44.0	290.8	150.1	1 019.7	720.8	2 408.3	2 269.9	138.4
Subtotal, professional services (consultancies)	462.0	1 430.8	296.4	336.3	172.7	1 047.3	745.8	4 491.3	4 410.6	80.8^b
3. Escalation	–	–	–	–	–	1 742.1	1 742.1	3 484.2	3 889.0	(404.8) ^c
4. Contingency	–	–	–	–	–	–	1 051.0	1 051.0	1 515.5	(464.5) ^d
Subtotal, section 33	462.0	1 430.8	1 832.0	1 349.5	3 164.7	12 309.5	13 796.0	34 344.5	34 631.1	(286.6)
Section 19, Economic and social development in Asia and the Pacific										
5. Project management										
5.1 Dedicated project management and support team	474.8	613.9	782.6	884.0	865.4	698.4	794.6	5 113.7	4 801.6	312.1
5.2 Dedicated Coordinator at Headquarters	14.2	135.6	147.6	125.2	–	–	103.5	526.1	548.0	(21.9)
5.3 Travel of project management team	24.7	–	–	–	–	10.0	–	34.7	38.3	(3.6)
Subtotal section 19	513.7	749.5	930.2	1 009.2	865.4	708.4	898.1	5 674.5	5 387.9	286.6^e
Total	975.7	2 180.3	2 762.2	2 358.7	4 030.1	13 017.9	14 694.1	40 019.0	40 019.0	–

^a The construction cost difference of \$502,000 represents the use of \$404,800 from escalation funds and \$97,200 from contingency funds to cover shortfalls due to variation works.

^b The overexpenditure of \$80,800 covered from the contingency fund provides for consultancy services required to cover gaps in the existing expertise.

^c Escalation funds of \$404,800 were used towards construction costs in 2021.

^d Contingency use of \$464,500 reflects the requirements for construction costs of \$97,200, professional services of \$80,800 and project management of \$286,600.

^e The overexpenditure of \$286,600 under project management is due to key posts being extended into 2023 to match the project end date. The cost overruns are covered by contingency funds.

Annex II

A. Monthly expenditure from project inception to 31 July 2022

(Thousands of United States dollars)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Category total	Annual total	Total expenditure 2017 to July 2022
2017	Construction cost (section 33)	—	—	—	—	—	—	—	—	—	—	—	—	—		
	Professional services (section 33)	—	—	—	16.9	51.3	18.1	91.6	0.2	105.2	—	1.4	177.4	462.1	975.7	
	Project management (section 19)	23.8	26.4	26.5	26.5	41.5	47.4	58.4	36.7	63.8	37.5	43.5	81.6	513.6		
2018	Construction cost (section 33)	—	—	—	—	—	—	—	—	—	—	—	—	—		
	Professional services (section 33)	—	—	0.6	7.5	556.1	6.1	—	—	634.8	—	—	225.7	1 430.8	2 180.3	
	Project management (section 19)	44.9	46.5	47.0	58.6	67.0	58.6	75.7	77.7	57.3	60.0	57.1	99.1	749.5		
2019	Construction cost (section 33)	—	—	1 057.9	—	—	3.7	—	1.9	6.1	5.8	458.9	1.4	1 535.7		
	Professional services (section 33)	47.0	76.8	—	0.2	30.0	15.4	7.0	101.3	0.1	14.8	1.4	2.3	296.3	2 762.2	
	Project management (section 19)	36.7	60.8	81.9	71.7	114.6	75.2	72.2	60.5	106.0	78.7	77.5	94.4	930.2		17 611.5
2020	Construction cost (section 33)	—	—	—	45.1	2.9	23.5	7.1	59.6	403.8	440.0	5.1	12.5	999.6		
	Professional services (section 33)	79.0	40.3	2.2	—	37.6	154.3	—	—	1.8	19.3	8.5	6.8	349.8	2 358.7	
	Project management (section 19)	79.7	96.9	70.7	76.7	92.1	86.2	115.1	81.4	76.6	82.0	72.2	79.7	1 009.3		
2021	Construction cost (section 33)	—	—	—	—	19.1	—	—	52.9	200.9	(15.1)	2 659.2	75.1	2 992.1		
	Professional services (section 33)	26.4	7.8	7.5	—	16.8	7.5	—	14.3	41.4	(3.0)	39.4	14.6	172.7	4 030.1	
	Project management (section 19)	64.9	65.5	66.0	65.3	65.4	65.3	55.4	101.1	69.5	57.5	77.5	111.9	865.3		
2022	Construction cost (section 33)	1.2	4.4	(4.2)	41.6	4 330.3	(33.3)	(83.3)	—	—	—	—	—	4 256.7		
	Professional services (section 33)	69.3	145.9	(1.6)	(0.5)	396.5	47.9	(4.7)	—	—	—	—	—	652.8	5 304.5	
	Project management (section 19)	47.5	58.1	83.0	51.5	48.5	50.4	56.0	—	—	—	—	—	395.0		

B. Total project expenditure by category as at 31 July 2022

Category	Expenditure (thousands of United States dollars)
Construction costs (section 33)	9 784.1
Professional services (section 33)	3 364.5
Project management (section 19)	4 462.9
Total	17 611.5

Annex III

Use of the contingency provision (spent and earmarked)

	<i>A/75/235</i>	<i>A/76/313</i>	<i>Current report</i>	<i>Total</i>
Approved escalation provision	–	–	–	3 889.1
Drawdowns				
Portion of construction cost	–	(0.1)	(404.8)	(404.9)
Escalation available balance	–	(0.1)	(404.8)	3 484.2
Approved contingency provision	–	–	–	3 194.0
Drawdowns				
1. Project management budget shortfalls	(192.0)	(316.4)	(286.6)	(795.0)
2. Professional services shortfalls	–	(1 170.4)	(80.8)	(1 251.2)
3. Construction cost variations	–	–	(97.2)	(97.2)
Contingency available balance	(192.0)	(1 486.8)	(464.6)	1 051