



General Assembly

Distr.: General
3 October 2022

Original: English

Seventy-seventh session

Agenda item 138

Proposed programme budget for 2023

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

Report of the Secretary-General

Summary

During the reporting period, construction and renovation work continued to advance, despite challenges resulting from the coronavirus disease (COVID-19) pandemic, geopolitical unrest and global economic uncertainty. The strategic heritage plan project successfully concluded the tender process for building E renovation work within the allocated budget following a complex and intensive procurement process.

As reported in the previous report of the Secretary-General ([A/76/350](#)), new building, building H, was occupied from May 2021, and substantial completion under the contract was achieved on 4 October 2021. The defects liability period for the building H runs until October 2023. The remaining punch list items continued to be resolved, with over 90 per cent of the punch list items now completed.

Owing to tight cost control measures, the implementation of value engineering and the outcome of the building E contract procurement process, the overall forecasted financial position of the project has improved by approximately SwF 38.5 million as compared with the previous progress report. The current forecast now indicates that the project will exceed the project budget by less than 1 per cent. The project team will continue to make every effort to maintain this positive position through close management of the remaining contingency provisions and project expenditures.

The General Assembly is requested to take note of the present report, decide on the scheme and currency of appropriation and assessment for the project; approve the establishment of a multi-year special account for the project, and approve the estimated requirements for the valorization consultancy work in the amount of \$75,000, to be funded from income section 2, General income, of the proposed programme budget, and the corresponding reduction in total income estimates for 2023 in income section 2.



Contents

	<i>Page</i>
I. Introduction	4
II. Project objectives and benefits	4
A. Objectives	4
B. Benefits	5
III. Project governance, management and accountability	5
A. Advisory Board	5
B. Steering Committee	5
C. Project assurance	6
D. Management of the strategic heritage plan	6
IV. Risk management	7
V. Progress	10
A. Status of activities	10
B. Contracting strategy	15
C. Flexible workplace strategies and space efficiency	16
D. Update on measures to eliminate physical, communications and technical barriers to persons with disabilities	18
E. Sustainability and reduction of energy consumption	19
F. Information and communications technology, audiovisual, broadcast and congress systems	20
G. Fire and life safety	20
H. Business continuity	20
I. Project schedule	21
VI. Projected expenditures and anticipated costs	25
VII. Financing	27
A. Host country loan agreement	27
B. Detailed host country loan repayment plan	27
C. Contingency management	27
D. Scheme and currency of appropriation and assessment	30
E. Multi-year special account	31
F. Update on alternative funding opportunities	32
VIII. Other related considerations	33
A. Valorization of United Nations-owned land in Geneva	33
B. Security considerations	34
C. Works of art, masterpieces and other gifts	35
D. Non-strategic heritage plan projects	35

E.	Post-strategic heritage plan maintenance considerations	36
IX.	Next steps	37
X.	Recommended actions to be taken by the General Assembly	38
Annexes		
I.	Expenditures by funding source	39
II.	Detailed information on financing schemes	40
A.	Appropriation and assessment options	40
B.	Currency risk management	42
C.	Negative interest rates	43
III.	Status of implementation of recommendations of the Board of Auditors	47
A.	Status of implementation of recommendations of the Board of Auditors related to the strategic heritage plan contained in the financial report and audited financial statements for the year ended 31 December 2016 and report of the Board of Auditors, volume I	47
B.	Status of implementation of recommendations of the Board of Auditors contained in its report on the strategic heritage plan for the year ended 31 December 2017	47
C.	Status of implementation of recommendations of the Board of Auditors related to the strategic heritage plan contained in the financial report and audited financial statements for the year ended 31 December 2018 and report of the Board of Auditors, volume I	48
D.	Status of implementation of recommendations of the Board of Auditors contained in its report on the strategic heritage plan for the year ended 31 December 2019	48
E.	Status of implementation of recommendations of the Board of Auditors contained in its management letter on the strategic heritage plan for the year ended 31 December 2020	50
F.	Status of implementation of recommendations of the Board of Auditors contained in its management letter on the strategic heritage plan for the year ended 31 December 2021	52
IV.	Strategic heritage plan project status charts	55
V.	Project management positions: incumbency from project approval	58

I. Introduction

1. The ninth annual progress report on the strategic heritage plan project of the United Nations Office at Geneva is submitted pursuant to section XVIII of General Assembly resolution [76/246](#) A.
2. The present report summarizes the planning and construction-related actions accomplished from 1 September 2021 to 31 August 2022. The financial information contained herein is based on the available data as at 31 July 2022.
3. Renovation work in the historic Palais des Nations buildings continues to progress, with the first sections of work undertaken now nearing completion and the testing and commissioning under way. Some further delays are being encountered in the renovation works and, while these have extended individual sections of works, mitigation measures in the sequencing and overlapping of works of the historical buildings and building E renovations have contained the current impact to the overall critical path of the project to approximately one month.
4. Construction work on the new permanent building H, which was largely completed during the previous reporting period, was substantially completed in October 2021, and the two-year defects liability period then commenced. The building is now fully occupied and utilized, with only some outstanding items and defects currently being corrected. The resolution of minor punch list items is ongoing and is approximately 90 per cent complete. The project team is currently working with the contractor in good faith to settle the outstanding items on the financial accounts. The temporary conference facility, which has been operational since September 2020, continues to be fully utilized. This facility was closed in July for the reconfiguration of the three conference rooms into one large conference room capable of accommodating 600 participants. The temporary conference room is planned to be reopened in September 2022 in advance of the closure of the large conference rooms in building E for renovation in 2023.
5. Several successful mitigation actions were taken to reduce costs and delays, including resequencing the renovation work to mitigate delays to the extent possible and implementing a number of value engineering measures. These mitigation actions have contributed to the considerable improvement of the financial position of the project of approximately SwF 38.5 million compared with the position described in the eighth annual progress report. However, there remain risks that the ongoing supply chain issues, global market uncertainty, inflation and the timeliness of the change management processes may continue to further affect the project schedule and costs in unpredictable ways.
6. The Secretary-General appreciates the continued support of Member States and is fully committed to undertaking sufficient mitigating strategies, including those outlined in the present report, to minimize potential cost overruns beyond the maximum overall cost approved by the General Assembly.

II. Project objectives and benefits

A. Objectives

7. The Secretary-General, in his report to the General Assembly ([A/68/372](#), para. 15), outlined the key objectives for the strategic heritage plan at the outset of the project. The objectives remain unchanged.

B. Benefits

8. Based on the key project objectives, the Project Director has established the expected benefits and baseline information, the methods for monitoring, measuring and reporting on progress and plans for the realization of benefits. The expected benefits are as follows:

(a) Staff are able to work throughout the renovation and mandated conferences continue to be held during the works ensuring business continuity;

(b) The project results in safer buildings and a healthier work environment. The value of buildings at the Palais is enhanced, with fewer insurance and accident claims and increased security of the premises of the United Nations Office at Geneva;

(c) Persons with disabilities can now better access and use the buildings at the Palais;

(d) Lower energy use. Decreased water consumption as compared with the level prior to renovation and construction;

(e) Ability to have hybrid meetings allowing for more participants. Rooms will have official language interpretation and multifunctional interpreter booths;

(f) An increased number of meeting rooms and the introduction of kitchenettes, focus booths and collaboration areas, and flexible workplace arrangements to allow more staff to occupy buildings;

(g) Promotion and protection of heritage while ensuring that building codes are met. New conference rooms and adapted doors for persons with disabilities, while preserving the heritage of the Palais des Nations.

III. Project governance, management and accountability

A. Advisory Board

9. The Advisory Board held two meetings, along with a tour of the new building and the renovation worksite, during the reporting period, in September 2021, June 2022 and July 2022 respectively, with a further meeting planned for October 2022. Among the key issues considered by the Board during the period were the continuation of renovation work in building AC of the Palais, the start of renovation works in buildings A, S1 and B, and section AB (see figure X) the impact of the COVID-19 pandemic on the strategic heritage plan, business continuity, the ongoing procurement of building E renovation works, strategies for communications to stakeholders, project progress and updates on financing and options for schemes of appropriation and assessment.

B. Steering Committee

10. The Steering Committee held three meetings during the reporting period, in March, June and August 2022. The Committee continues to monitor project progress against the established timelines and budget and is reinforcing the requirement for close management of project scope and financial controls. Key issues considered by the Committee during the reporting period include progress made on the renovation of the historic Palais buildings, the ongoing procurement for the building E work, management of the budget and necessary revisions to the strategic heritage plan schedule and the management of budget pressures through value engineering.

C. Project assurance

1. Independent and integrated risk management

11. Risk management services continue to be provided in accordance with the project requirements under two separate functions: independent quarterly risk management reporting, which is provided to the governance levels independent of the project team; and monthly risk management reviews. The relevant findings from the latest report issued by the Board of Auditors in relation to the year ending 31 December 2021 will be incorporated into the risk management strategy for the project.

2. Board of Auditors

12. Since the previous reporting period, the Board of Auditors has carried out two further visits to conduct audits of the work related to the strategic heritage plan, from 1 November to 19 November 2021 and from 10 to 28 January 2022. The recommendations resulting from the visits made during the reporting period were transmitted to the project owner by means of a fourth report of the Board on the strategic heritage plan.

13. The most recent observations and recommendations by the Board of Auditors on the strategic heritage plan, and the latest status of their implementation, are summarized in annex III to the present report. Regarding the status of implementation of previous recommendations, the Board confirmed in its most recent report, taking into account the updated responses given by Management in March 2022 to the Board's previous audit reports ([A/76/5 \(Vol. I\)](#), [A/75/135](#), [A/74/5 \(Vol. I\)](#), [A/73/157](#), [A/72/5 \(Vol. I\)](#) and [A/72/5 \(Vol. I\)/Corr.1](#)) that, of the 43 recommendations made, 39 (91 per cent) had now been fully implemented and only 4 (9 per cent) remained under implementation.

14. The next full audit visit by the Board of Auditors' specialist external audit team is planned to be conducted in November 2022.

D. Management of the strategic heritage plan

15. Management of the strategic plan remains in place in accordance with [A/76/350](#), para. 13.

16. As a result of continued pandemic-related delays at the end of 2021, which were further exacerbated by global supply chain issues causing extended delivery periods, together with further delays related to extensions of time to the building E renovation tender process; activities that were originally expected to have commenced earlier are now being carried out concurrently with the extended time frame of the historic building renovation works. This has continued to compound the risk that the strategic heritage plan project team may be unable to maintain the pace of the project without incurring further delays and additional costs owing to insufficient United Nations staff resources to manage the increased workload related to the increased volume of construction works taking place at the same time.

17. In order to continue to mitigate programme delays, it is necessary to extend the short-term temporary position of Architect (P-4) as approved in General Assembly resolution [76/264 A](#), section XVIII, paragraph 24, for the full duration of 2023. To support the changing needs of the project as it moves fully into the implementation phase of the renovations, the consultant management team has been further augmented with extra quality assurance resources to reflect the importance of ensuring that the project continues to deliver high-quality outputs, while also trying to mitigate further slippage to the delivery schedule. All United Nations staff positions have now been

filled. The project team has assessed the current size of the team and confirmed that it is appropriate for this stage of the project. Annex V provides a staffing table showing incumbency from project approval through to the end of July 2022.

IV. Risk management

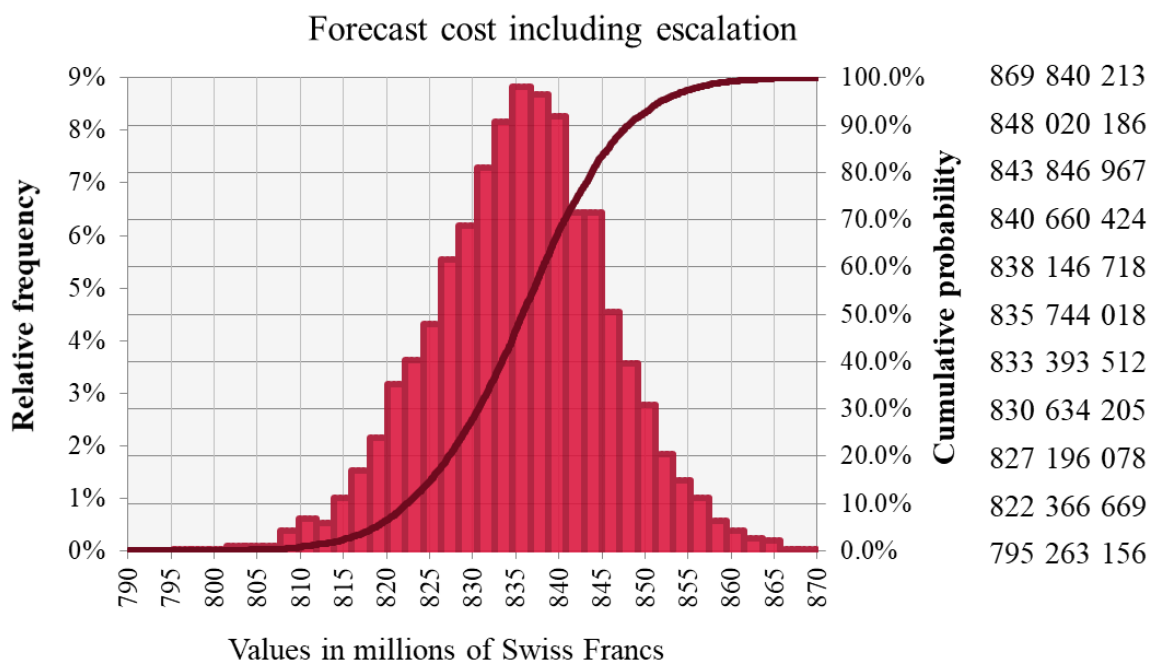
18. Risk management continues to be mainstreamed into the overall management of the project. The project team continuously identifies risks to achieving the required time and cost performance and actively manages their impacts. That focus has mitigated several major risks, for example by adding a pre-construction services phase to the Palais renovation and building E tower dismantling and renovation contracts to ensure that competitive bids could be received and a guaranteed maximum price agreed upon. The assessment of the risk management firm is that the strategic heritage plan risk management framework is mature and working effectively for a project of this complexity within such an environment.

19. In addition to its work with the project team, the independent risk management firm continued to report independently and directly to the project owner. To date, more than 580 risks have been identified on the project risk register, and 171 currently remain open; on average, 11 risks were either added to or retired from the risk register every month from August 2021 to July 2022. Through the application of the professional risk management approach, risks are mitigated throughout the year until they have been either accepted, avoided, removed, closed or retired following the completion of design, procurement and construction stages.

20. The independent risk management firm prepares Monte Carlo simulations for the project on a monthly basis. The outcome of the simulation as of July 2022 is shown in figure I. Figure II shows the main risks ranked by impact to the variability of the output of the risk model (forecast cost).

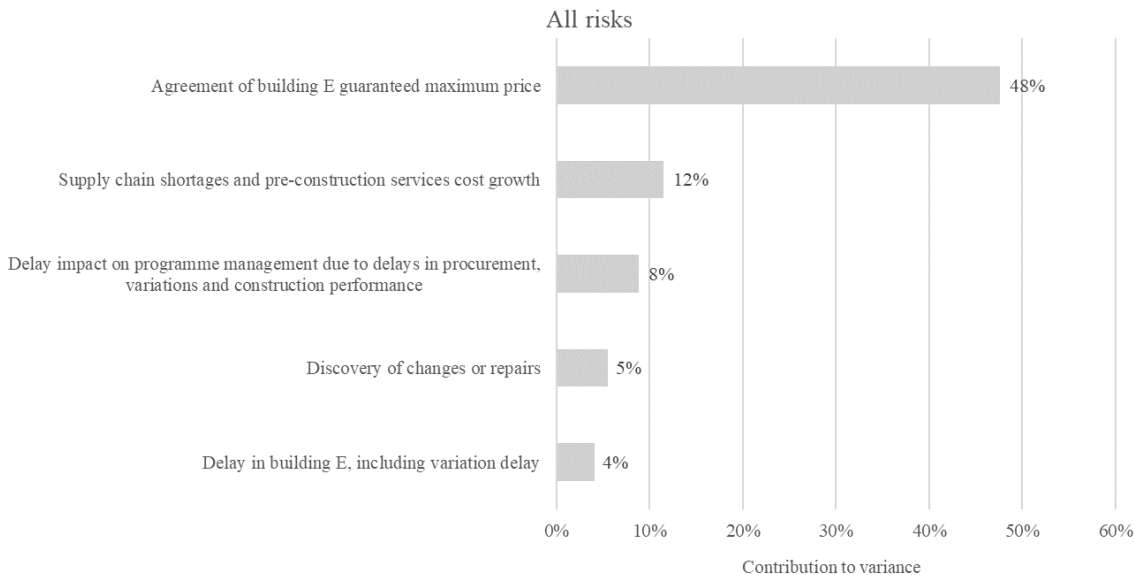
Figure I

Cost histogram of the strategic heritage plan project risks, July 2022



21. Figure I depicts both the relative frequency of forecast cost and the cumulative probability of the output of the risk model. In particular, figure I depicts the forecast cost at each confidence level. United Nations construction projects are assigned an established “P80” benchmark target for measuring risk on a given project, which means that the project team would ideally strive to have an 80 per cent confidence level that the project will be completed on schedule and within budget. The confidence level as at July 2022 is a 53 per cent chance of completing the project on or below budget.

Figure II
Cost sensitivity (“tornado”) chart showing the five risks with the greatest impact on project costs, July 2022



22. A comparison of the top five project risks with respect to the latest two progress reports is shown in table 1.

Table 1
Comparison of the top project risks for the strategic heritage plan, Geneva as provided in the current and previous annual progress reports of the Secretary-General

Previous top five risks (A/75/355, para. 46)	Previous top five risks (A/76/350, para. 52)	Current top five risks
(a) The impact of contractor claims and governmental restrictions on construction activities and productivity of workforces as a result of the COVID-19 pandemic	(a) Modification of the current design owing to changes in or late finalization of stakeholder requirements, including pandemic-driven changes in working	(a) Increase in cost owing to agreement of the guaranteed maximum price of building E following the pre-construction services period
(b) Changes in business requirements in the course of the project	(b) Delays in procurement for building E, including contract formation and agreement of the guaranteed maximum price following the pre-construction services period	(b) Delays and additional cost due to post-pandemic and conflict-induced supply chain shortages

<i>Previous top five risks (A/75/355, para. 46)</i>	<i>Previous top five risks (A/76/350, para. 52)</i>	<i>Current top five risks</i>
(c) Design errors and omissions in contracted works	(c) Design errors and omissions in contracted work	(c) Delays in agreeing variations to the point at which the contractor is obliged to comply with the instruction to vary the works
(d) The potential for the guaranteed maximum price of the renovation contract, which will be determined at the end of the pre-construction services phase, to be delayed or to vary significantly from the estimated cost	(d) Discovery of changes or repairs to existing structures and/or mechanical and electrical services	(d) Design errors and omissions in bid price for building E and other contracted work
(e) Potential delays or claims for additional costs above the agreed contract price from the contractors for the new permanent building or for the subsequent renovation works	(e) Uncertainty regarding the potential for price increases to be obtained from the market through the upcoming procurement process for the renovation of building E	(e) Delay to building E owing to discovery of changes or repairs to existing structures and/or mechanical and electrical services

Description of the top five project risks

23. The top five risks identified in the cost sensitivity chart (figure II) are explained in more detail below

(a) **Increase in guaranteed maximum price.** This is a new risk, which relates to a potential increase in cost due to the agreement of the guaranteed maximum price of building E following the pre-construction services period. The contract price at agreement of stage 1 is lower than expected. Therefore, there is a risk that, during the pre-construction services period, it will not be possible to engage subcontractors and suppliers without an increase to the guaranteed maximum price at stage 2. To mitigate this risk, the project team will use the pre-construction services period to understand and negotiate any potential cost increase that is identified using an open book approach with the contractor (an agreement with the contractor that allows for transparency on the costs of the construction works packages). In addition, the forecast cost of the project will be closely monitored during the pre-construction services period in order to highlight at the earliest stage where and how costs are increasing. This will allow the project team to develop mitigations appropriate for the cost pressures identified. To mitigate the risk, the dedicated project management team, supported by the independent risk management firm, is carefully monitoring the situation;

(b) **Supply chain shortages and pre-construction services cost growth.** This new risk reflects the reality of the current commercial environment. The pandemic and geopolitical unrest have induced supply chain shortages and delays. To mitigate this risk, the project team is working with the contractor to order necessary supplies as early as possible and identify alternate supply sources. In addition, the forecast cost of the project will be closely monitored during the pre-construction services period in order to highlight at the earliest stage where and how costs are increasing. This will allow the project team to develop mitigations appropriate for the cost pressures identified. To mitigate the risk, the dedicated project management team, supported by the independent risk management firm, is carefully monitoring the situation;

(c) **Delays in agreeing variations.** This risk relates to the lengthy time frame between issuing a variation and when the contractor is obliged to start work on the

variation. This risk has increased as, currently, the majority of variations take more than 70 days before the contractor is obliged to comply with the change. To mitigate this risk the project team has made changes to the building E construction contract to reduce timelines. The project team will also work with the contractors for the historic Palais and building E to prioritize variations and utilize expedited processes within the construction contracts wherever possible. To mitigate the risk, the dedicated project management team, supported by the independent risk management firm, is carefully monitoring the situation. However, owing to the constraints of the contract for construction work, this risk is not completely avoidable;

(d) **Design errors and omissions.** This risk has, in part, occurred and is still present owing to the remaining renovation of the historic Palais and building E work still to be undertaken. To mitigate this risk, the project team and the contractors will follow quality assurance procedures including quality checking of contract documents. The project team will follow an early warning process to identify errors and omissions at an early stage. The team will use established processes for evaluation of changes and instructions, including impact on schedule and budget. To mitigate the risk, the dedicated project management team, supported by the independent risk management firm, is carefully monitoring the situation;

(e) **Delays to building E works.** This risk relates to the discovery of changes or repairs to existing structures and/or mechanical and electrical services. This risk is a consequence of delayed variations, unexpected changes and contractor performance. In order to mitigate this, monitoring of performance against the contract schedule will be undertaken, and variances will be highlighted and appropriate actions taken to keep the project on schedule. To mitigate the risk, the dedicated project management team, supported by the independent risk management firm, is carefully monitoring the situation.

24. Since the third annual progress report of the Secretary-General ([A/71/403](#) and [A/71/403/Corr.1](#)), the approach taken to calculate the contingency provision has remained consistent. Where the combined total of the core costs (construction, design and consultancy, associated costs and project management) and the contingency required at the P80 confidence level exceed the budget of SwF 836.5 million approved by the General Assembly, additional mitigation actions are taken to ensure that the project remains within the approved budget envelope.

V. Progress

A. Status of activities

25. During the reporting period, considerable progress was made towards furthering key project milestones for design, contracting and construction activities, including:

(a) Substantial completion of the new permanent building H was achieved on 4 October 2021, and the official inauguration of the new building took place on 1 November 2021. The contract for this building has now entered the two-year defects liability period, and close-out activities are under way for the remaining minor punch list items;

(b) Substantial progress on the renovation of the 1930s and 1950s historic buildings continued, with the start of the commissioning activities related to building AC commencing in June 2022 and final finishing works ongoing in buildings D and S1. The works in sections A and AB continue to progress, with the Pas Perdus areas on each side of the main Assembly Hall now modified to reflect the original design from the 1930s and finishing works under way. The historical conference rooms XI, XII and XVI are being completely renovated, with the construction of the new interpreters' booths nearing completion. Building C renovation works, which

commenced in October 2021, have continued to progress, with the demolition and strip-out of the areas necessary to expand the Press Bar and create the new UNTV studio, to be followed by the mechanical, electrical and plumbing works;

(c) Implementation of the latest audiovisual over Internet protocol technologies to apply current industry standards for equipment and functionalities for the historical building conference rooms in buildings A, AB and AC. These buildings, together with the temporary conference building, which has been reconfigured into one large 600-seat conference room, will support any future business continuity demands arising from the need for conference participants to connect to and participate in multilingual conferences remotely, utilizing predominantly computer-based audiovisual devices and software while building E is closed for renovations from early 2023 onwards;

(d) The successful finalization of the procurement of the 1970s building E (contract 3). The contract signature is planned by the end of 2022. This will be the last major procurement, and the project team will then focus exclusively on the contract management and delivery stages of the works.

26. As highlighted above, construction and renovation work has continued to progress significantly during the reporting period, despite the many additional challenges resulting from the pandemic, the global market and geopolitical instability in parts of Europe. This combination of events has disrupted supply chains and impacted both the availability and cost of critical materials, including steel, iron, nickel, chemical products such as neon (which is widely used in electronic components) and timber, resulting in delayed deliveries of many items. The strategic heritage plan team continued to mitigate risks and pursue opportunities to advance parts of the planned work during the COVID-19 pandemic. The main impacts incurred and measures taken in this respect are as follows:

(a) Since the previous progress report, further delays have been encountered owing to the effects of the pandemic, in particular the latter part of 2021 and the early part of 2022. This was largely incurred through the drop in productivity levels owing to significant levels of COVID-19 cases, which have amounted to approximately one month of delay for all of the sections under renovation. The renovation contractor has demonstrated that delivery dates for materials and equipment are becoming more protracted both for new requirements and for those already ordered. To date, mitigation measures have been taken by the renovation contractor, who has proactively anticipated this and sought to order materials well in advance. However, for the sections of work that have not yet started, or where variations are issued that require the purchase of additional materials, in particular those containing electronic components, the time impact cannot yet be determined. The project team and the contractor continue to work collaboratively in order to find solutions and mitigate delays;

(b) In terms of additional costs related to COVID-19, the renovation contractor is still assessing the impact, but to date the costs are largely fixed in the contract and therefore at their risk, although some minor costs may still be attributable to the additional sanitary facilities and procedures that were necessary during the pandemic. Although all of the health, safety, sanitary and physical distancing restrictions imposed since 2020 were lifted in early 2022, the possibility of further waves of the pandemic from variant strains remains a risk. Costs attributable to delays in receiving materials and components relating to variations, such as those related to the technology upgrades to the conference rooms, continue to be incurred and are being managed within the current contingency levels;

(c) The renovation contractor has given indications, however, that, owing to the combined effect of the pandemic and the geopolitical situation on the supply chain, prices are increasing. These costs are largely the responsibility of the contractor and are included within the guaranteed maximum price; however, at this time, owing to the fluidity of the issues, the full effects have yet to be fully determined.

27. Project costs remain tightly monitored and controlled, with the costs now finalized for building H and the inclusion of the flexible work strategy, as mandated in General Assembly resolution 70/248, Section X, paragraph 13, within the original budget envelope. Extensive work and negotiations with the contractor at the end of the pre-construction services phase of the historic building renovation contract resulted in a guaranteed maximum price agreement within the original estimated budget level, despite the increase in pandemic-related delays and costs. However, the additional strategic heritage plan project and design team costs arising from the further schedule extensions, the as-yet-unknown cost that will be established during the pre-construction services for building E, the provision of the temporary conference building and delays being encountered in the renovation works mean that, despite significant improvement in the financial position of the project, the possibility remains that the project may not achieve the full approved baseline scope within the approved budget.

28. In response, the United Nations has conducted further value engineering and optimizations aimed at continuing to meet the approved project scope objectives for a lower cost. For example, since building E will be vacated during the works, the dismantling of the tower can be done more quickly since stoppages due to excessive noise will be reduced. Projected cost estimates are reviewed monthly and the cost plan is fully updated at all key deliverable milestones. Project risks continue to be extensively reviewed and analysed, and appropriate mitigation strategies continue to be developed and implemented. To further mitigate costly changes, the project team has refined the mechanism to process, document and agree to design changes. Key changes that affect internal stakeholders are agreed upon internally to ensure that parties take ownership of the changes. No design changes in the reporting period have had a significant impact on the project in terms of cost, schedule or the achievement of project objectives.

29. As a pictorial view of progress, the exterior photograph of the finished building H, as viewed from building E, is shown in figure III, together with photographs of the renovation ongoing in the Palais provided in figures IV, V, VI, VII and VIII, to visually demonstrate the considerable progress achieved in the renovation work during the reporting period.

Figure III

Exterior photograph of completed new building H, June 2022



Figure IV
Accessibility guiding stripes installation, level 02 of building AC, June 2022



Figure V
Interior progress photograph showing the final cleaning of the renovated Pas Perdus area of building AC, June 2022

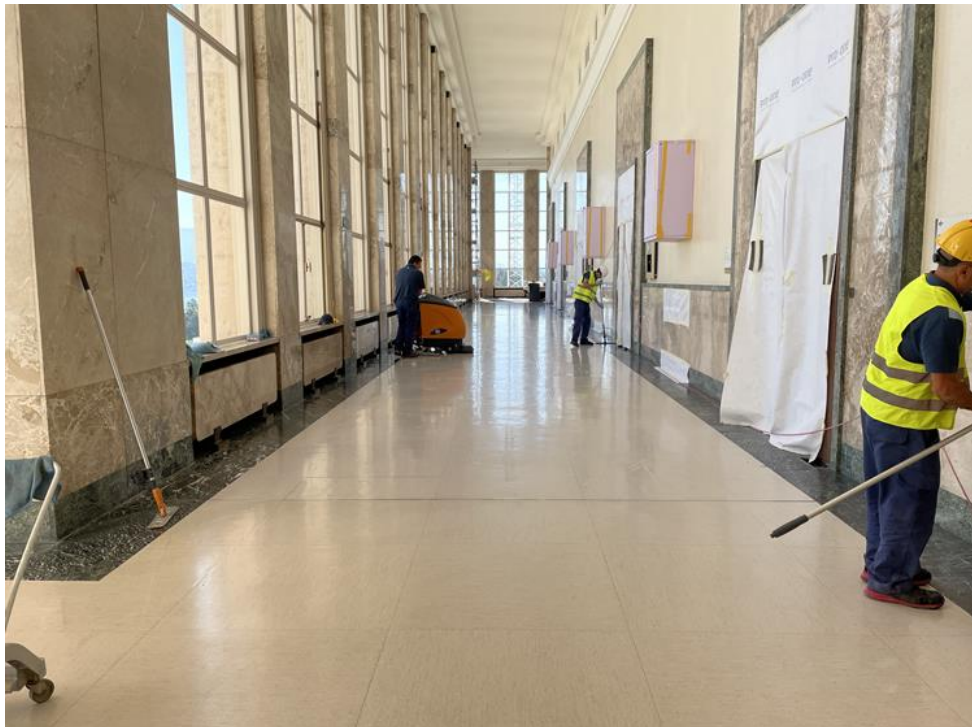


Figure VI
**Interior progress photograph showing renovation of Room IX of building AC,
June 2022**



Figure VII
**Interior progress photograph showing renovation of the main Assembly Hall,
June 2022**



Figure VIII

Interior progress photograph showing newly created hybrid office space in the renovation of building AC, June 2022



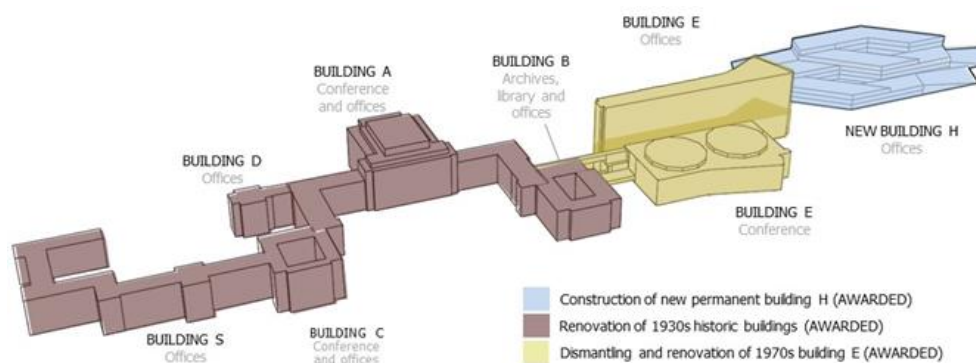
B. Contracting strategy

30. A schematic overview of the Palais des Nations building complex and the major phases of the contracting strategy and updated timeline are shown in figure IX.

31. During the reporting period, the tender process was completed for the building E contract, including the resulting technical, commercial and risk evaluations of the offers. Following the necessary internal procurement approvals, the contract is being negotiated and is expected to be signed by the end of 2022. The preconstruction services phase of one year commences immediately after the contract signature, and the early action works on building E, which include the removal of asbestos and the strip-out and dismantling of the office tower will commence as soon as conferencing services and staff have moved out of the building, currently anticipated to be February 2023.

32. On the basis of lessons learned and in line with the Board of Auditors recommendations in this regard, 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. This is a refined version of the strategy that was successfully utilized for the procurement process and contract for the renovation of the historic building.

Figure IX
Schematic overview of the Palais des Nations building complex contracting strategy



33. With the recent successful conclusion of the procurement of the building E contract within budget, all the major contracts for the project will be in place. Therefore, the management emphasis is now fully on the delivery phase of the renovation works. On the basis of lessons learned from the construction and delivery of the new building and the pre-construction services and ongoing renovation works for the renovation of the 1930s and 1950s historic buildings, and to address the most recent Board of Auditors' recommendations regarding delays incurred as a result of the variation process, management are seeking to make further optimizations to the United Nations construction contracts to more closely align the contract to the Organization's needs. This includes aligning the variation process in the contracts closer to the International Federation of Consulting Engineers (FIDIC) construction industry standard wording.

C. Flexible workplace strategies and space efficiency

34. The Secretary-General has proceeded with the full implementation of flexible workplace strategies in the new permanent building as mandated by the General Assembly. In the historic Palais buildings, the predominant office environment will continue to be housed largely within the existing historical layout, composed mostly of individual offices, with the addition of a limited number of purpose-built hybrid offices that can be used flexibly.

35. During the reporting period, building H has continued to be occupied by staff, with a satisfactory use of open space and support spaces such as meeting rooms, project rooms and alternative work areas. The first section of work for the renovation, building AC, has been furnished with new furniture for the newly formed hybrid workspaces and meeting rooms. The enclosed offices have been furnished with the existing furniture. For conference rooms in building AC, heritage conference tables have been adapted to accommodate people in wheelchairs while preserving the heritage of the room. In addition, the strategic heritage plan team is renovating heritage furniture in the Palais, in the conference rooms and in the heritage offices.

36. Heritage preservation and restoration remain key objectives of the strategic heritage plan and will continue to be carefully and resolutely applied, using the services of experts both within the strategic heritage plan team and from the host country authorities. Meetings and regular workshops are scheduled with the host country heritage preservation authorities as appropriate on matters affecting heritage aspects.

37. The commencement of staff moves into the new permanent building in May 2021 was a major milestone for the gradual implementation of flexible workplace strategies, and to date more than 1,200 staff moves have taken place. Pandemic-

related de-densification and physical distancing measures were lifted in May 2022. After staff currently accommodated in the building on a temporary basis return to the renovated sections of the Palais starting in Autumn 2022, space allocation for the next temporary moves into building H will further optimize the use of workspaces. The project will aim for an even more efficient use of the building, which may include a higher flexible use ratio where feasible.

Occupancy of the Palais des Nations campus after completion of the strategic heritage plan

38. In the first annual progress report of the Secretary-General (A/68/372), the final capacity of the renovated Palais des Nations buildings was projected to be 3,507 occupants and workspaces. With the adoption of flexible workplace strategies in the new permanent building, the total number of workspaces was reduced, to create space for the collaboration areas and support nodes that are needed for more effective flexible working conditions. The projection remains the same as reported in the eighth annual progress report, and again shown as table 2, for ease of reference.

Table 2
Projected number of workspaces and occupants

Location	Maximum capacity after renovation		
	Baseline projection (workspaces and occupants) ^a	Workspaces	Occupants
Building A	232	221	221
Building B	158	168	168
Building C	277	218	218
Building D	182	224	224
Building S	833	797	797
Building E	412	268 ^b	268 ^b
New building H	1 413	1 346	1 550
Touchdown workspaces for conference participants	–	172	172
Theoretical desk-sharing capacity in historic buildings (baseline) ^c	–	–	30
Total	3 507	3 414	3 648

^a Baseline figures as provided in the first annual progress report of the Secretary-General (A/68/372).

^b Figures for building E are indicative only, as the full technical design has yet to be completed.

^c It is estimated that a desk-sharing ratio of 11 people to 10 desks could be implemented in some of the newly created hybrid spaces, leading to a modest increase in occupancy of approximately 30 people.

39. Of the maximum occupant capacity of 3,648 shown in table 2, all spaces are planned to be allocated. The headcount of Office of the United Nations High Commissioner for Human Rights (OHCHR) (staff, interns and consultants) grew from 730 to 930, and two new entities (United Nations Joint Staff Pension Fund and Global Executive Leadership Initiative) have joined building H in the second half of 2021. The numbers of individual entities based in the Palais des Nations will fluctuate over the intervening years and cannot be determined definitively at this time. Sufficient capacity is being retained during the renovation work to cover the phased closure of individual buildings. Nonetheless, it is projected that the maximum overall allocated occupant capacity of the Palais compound, once the strategic heritage plan project is complete, will exceed that originally forecast of 3,507 occupants.

Attracting additional United Nations entities to the Palais des Nations

40. The Secretariat continues to engage actively with other United Nations entities with a presence in Geneva to encourage them to move to the Palais des Nations, where they would benefit from a central location, shared amenities, greater security and other operational efficiencies and mandate synergies. During the reporting period, the United Nations Joint Staff Pension Fund and the Global Executive Leadership Initiative moved to building H. From January 2022, the Independent International Commission of Inquiry on the Occupied Palestinian Territory, including East Jerusalem, and Israel was accommodated at Dependence La Pelouse. Requests to accommodate other United Nations entities and bodies established pursuant to Human Rights Council mandates continue to be received and work is under way to determine if such needs can be met on a case-by-case basis. As previously reported, the United Nations Development Programme, the United Nations Environment Programme, the United Nations International Computing Centre, the United Nations Office for Project Services, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the World Food Programme continue to express interest in being accommodated within the Palais campus. The ongoing renovation work in several sections of the Palais, together with pandemic-related restrictions, has temporarily limited the available office space. Therefore, the accommodation of additional entities is currently on hold until the completion of some of the sections under renovation. Where further space is available, entities would be expected to apply the same flexible workplace strategies implemented in the new and existing buildings that they would occupy.

D. Update on measures to eliminate physical, communications and technical barriers to persons with disabilities

41. As described in the fifth, sixth, seventh and eighth annual progress reports of the Secretary-General ([A/73/395](#), [A/74/452](#), [A/75/355](#) and [A/76/350](#)), a comprehensive accessibility master plan was provided by a specialist consultancy firm. The recommendations from accessibility audits have been and continue to be implemented throughout the various design stages for both the new and existing buildings.

42. During the reporting period, renovation works of building AB of the historical buildings was finalized. Several accessibility measures were put in place during the construction works. For example, an extensive network of guiding stripes is being put in place on levels 0 and 3 to make it as easy as possible for visually impaired persons to move around in S to E buildings.

43. In the Pas Perdue corridor, access doors to conference rooms have been adapted with opening push buttons at wheelchair height for the two sets of automatic double doors to facilitate access. Heritage conference tables have been adapted for people using wheelchairs. Audiovisual and information technology access has also been modified for access to microphones and connections to electrical sockets. Interpreter booths have been made accessible for wheelchair users by installing ramps with a slope no steeper than 6 per cent, in accordance with Swiss regulations, or by installing a stair lift. In the implementation of all these measures, the heritage of both the conference room and the furniture have been preserved. The Board of Auditors, in its latest report, made several recommendations on design and construction deficiencies with regard to accessibility, and the project team is actively addressing these issues.

44. In addition, the strategic heritage plan scope covers multisensory tables at three main access points in the Palais des Nations to serve as guides for people visiting the Palais. These new multisensory tables will allow people with disabilities to navigate the Palais. The tables will have a tactile surface and an information screen with a map of the Palais so that a person with any sensory-related disability can access directions. Further features are under development. Meetings with the specialist consultancy firm took place to develop the future content of these devices at which disability group

representatives participated. As building H has now been handed over and is fully functioning, the disability inclusion working group visited the building. The group welcomed the generous areas for foot and wheelchair traffic and workstations, lifts and lobby entrances. The group did note some minor deficiencies, which are being addressed, which included access to some doors that were not adapted for persons in wheelchairs, and corrections to the colouring and/or contrast of the stairs to enable safe movement for people with a visual impairment. On the H building townhall stairs, a balustrade with a removable horizontal bar will be put in place to improve safety for persons with disabilities. Overall, however, the impression was that there has been a major upgrade in accessibility in the new building in comparison with other buildings on the campus, although a number of the existing buildings' deficiencies will be addressed as part of the ongoing renovations.

E. Sustainability and reduction of energy consumption

45. As previously reported, 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, as stated in the report of the Secretary-General dated 8 August 2011 (A/66/279, para. 11 (c) (iv)). To reflect the date of approval of the strategic heritage plan scope by the General Assembly in December 2015, an updated calculation methodology has been developed and agreed with the Board of Auditors. The revised baseline objective reduction in energy consumption to be achieved under the strategic heritage plan is 11.5 per cent, compared with the 2015 revised baseline energy consumption level of 25 per cent. It should be noted that, while energy consumption is being reduced, the cost of energy is rising.

Table 3

Data on updated energy savings

(Unit: kWh)

Total adjusted energy use, 2010	59 263 913
Target post-strategic heritage plan project (25 per cent reduction)	44 447 936
Decrease in energy use, 2010 to 2015 (Swiss donation)	(9 057 796)
Total energy use less savings already achieved (2015 baseline)	50 206 117
Energy savings to be achieved upon conclusion of strategic heritage plan	5 758 182
Energy savings as compared with 2015 (percentage)	11.5%

46. Although challenging, it is projected that these ambitious targets can be achieved by delivering the renovation in accordance with the baseline design, mainly through the following initiatives:

(a) The environmental impact of the new permanent building is being closely monitored to guarantee a performance level equivalent to that of the internationally recognized Leadership in Energy and Environmental Design Gold certification standard. The new permanent building will benefit from a two-year after-care service to optimize its energy consumption;

(b) The new permanent building and the existing buildings of the Palais des Nations, following completion of the design stage, have been granted a provisional certificate by Minergie, a Swiss environmental certification programme for low-energy-consumption buildings;

(c) The upgrading of the building E energy centre connected to the Lake Geneva network, a 100 per cent renewable thermal solution that uses the temperature of the lake water to cool and heat buildings throughout the campus.

F. Information and communications technology, audiovisual, broadcast and congress systems

47. Coordination efforts continued with the Information and Communication Technology Service of the United Nations Office at Geneva to ensure business continuity for the information technology network on the campus during renovations, as well as to ensure that the installations of technical equipment in its final configuration will take place as planned. Additional network redundancy was included as part of the new installations. The capacity to perform regular upgrades in a modular fashion was also achieved, including during regular working hours.

48. Despite the challenges posed by the COVID-19 pandemic, as well as the reduction in available conference rooms owing to the renovations, the United Nations Office at Geneva has maintained business continuity for mandated calendar meetings. The renovation efforts also provide an opportunity for the project to support the Office in its upgrade of the conferencing architecture to address the increased demand in functionality and capacity. In particular, capacity and security enhancements are envisaged for the information and communications (ICT) network and conference room equipment, the processing of video and audio transmissions over the standard Internet protocol, and support operations optimization from a control centre.

49. During the reporting period, the design of the broadcast and congress systems continued to be updated as planned, in collaboration with the renovation contractor, to implement a renovated UNTV studio that will support the significantly increased demand for webcasts.

G. Fire and life safety

50. As indicated in the eighth annual progress report, the existing historic buildings will be renovated to comply with the host country fire regulations and building codes while ensuring that the heritage aspects of the Palais des Nations are taken into account, in order to find the optimal balance between these two sometimes competing objectives. The host country authorities have confirmed their agreement to the design measures being proposed for the renovation portion of the work. An independent certified fire safety professional, approved by the host country fire authorities, has been engaged to ensure that the actual on-site implementation of the work complies fully with the terms and conditions of the permit.

H. Business continuity

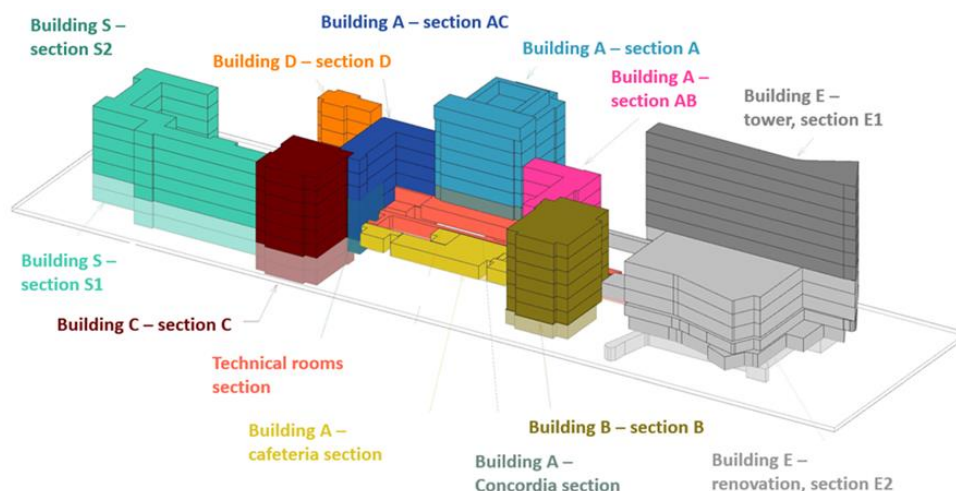
51. During the reporting period, the implementation of stakeholder requirements and business continuity measures continued to be executed successfully. For example, a new temporary press room was constructed in building B to ensure business continuity until completion of the new permanent press room in building AC. The detailed business continuity plan also allows for back-up power, information technology and audiovisual connections whenever any renovation works take place in sensitive critical technical rooms throughout the Palais. The project created an accessibility route to the International Civil Servants' Cooperative (SAFI) via the building S1 lifts to give continuous access for employees unable to use the existing staircase in the entrance to building S2. Despite ongoing works in the basement levels of the Palais, business continuity of the main cafeteria at the Palais has been maintained. A temporary Medical Service area has also been created in Section S2, with a laboratory, nurses' areas and medical consultation rooms to enable continuity of medical services.

52. Relevant business continuity issues are evaluated daily during construction activities, and the works schedule is updated on a weekly basis and communicated to all technical teams for their review. Risk analysis is undertaken, communicated and discussed further during weekly dedicated coordination meetings with the Facilities Management Section, the Information and Communication Technology Service and the Security and Safety Service teams at the United Nations Office at Geneva.

53. The sections of works for the renovation of the existing buildings are the same as in the previous report and are shown again for information in figure X. As an additional risk mitigation measure for business continuity, a dedicated integrated business continuity crisis response group has been created via the Signal communication platform. This group is made up of critical stakeholders at the United Nations Office at Geneva, the escalation focal points on the project, and the main contractor's critical stakeholders. The group has been used effectively and accelerates communication and response times to eliminate any immediate threats faced by the programme.

Figure X

Three-dimensional representation of sections of work for the renovation of the existing buildings



54. The closure of a significant number of the conference rooms has reduced the capacity of the United Nations Office at Geneva to host events and meetings; however, all calendar meetings continue to be accommodated. The temporary conference building will continue to provide important additional conference room capacity throughout the period of the renovation work. Further to the reconfiguration, the temporary conference centre can now host 600 people, to meet business continuity needs for conferences at the Palais de Nations. From September 2020 to July 2022, the temporary conference centre has been in use with an average 56 per cent occupancy. The months of March, May and June 2022 saw the highest levels of use. The temporary facility was at 96, 99 and 100 per cent occupancy in these months respectively.

I. Project schedule

55. The latest programme schedule has been updated to reflect the considerable progress of the work achieved during the reporting period, despite many challenges. The schedule has been delayed by one month since the eighth annual progress report owing to delays encountered by the renovation contractor caused by the pandemic and delays and shortages of critical materials.

56. The latest programme schedule is illustrated in figure XI and indicates the next key project milestones, as follows:

- (a) Continuation of renovation work for the 1930s and 1950s historic Palais buildings during 2022;
- (b) Substantial completion of the new building, building H, was achieved on 4 October 2021. Punch list items will be completed during 2022;
- (c) Completion of procurement process for the main contract for the phase 2.2 renovation of building E in the third quarter of 2022;
- (d) Appointment of a contractor for the phase 2.2 renovation and dismantling of the 1970s building E and commencement of the pre-construction services, including technical design completion during the last half of 2022 and the first half of 2023, building E closure being contingent on the completion and return to full service of the renovated conference rooms;
- (e) Completion of the major subphases of the 1930s historic buildings (buildings A, D and S1) progressively by the end of 2022, and completion of final subphases (buildings B, C and S2) progressively from 2023 to the first quarter of 2024;
- (f) Completion of the renovation of building E in early 2025;
- (g) Warranty closeout period following completion of work to reflect activities of post-completion assessments and post-occupancy evaluations, release of retention, seasonal commissioning of building services and other quality and financial closeout activities reflecting the two-year warranty period associated with each of the main contracts.

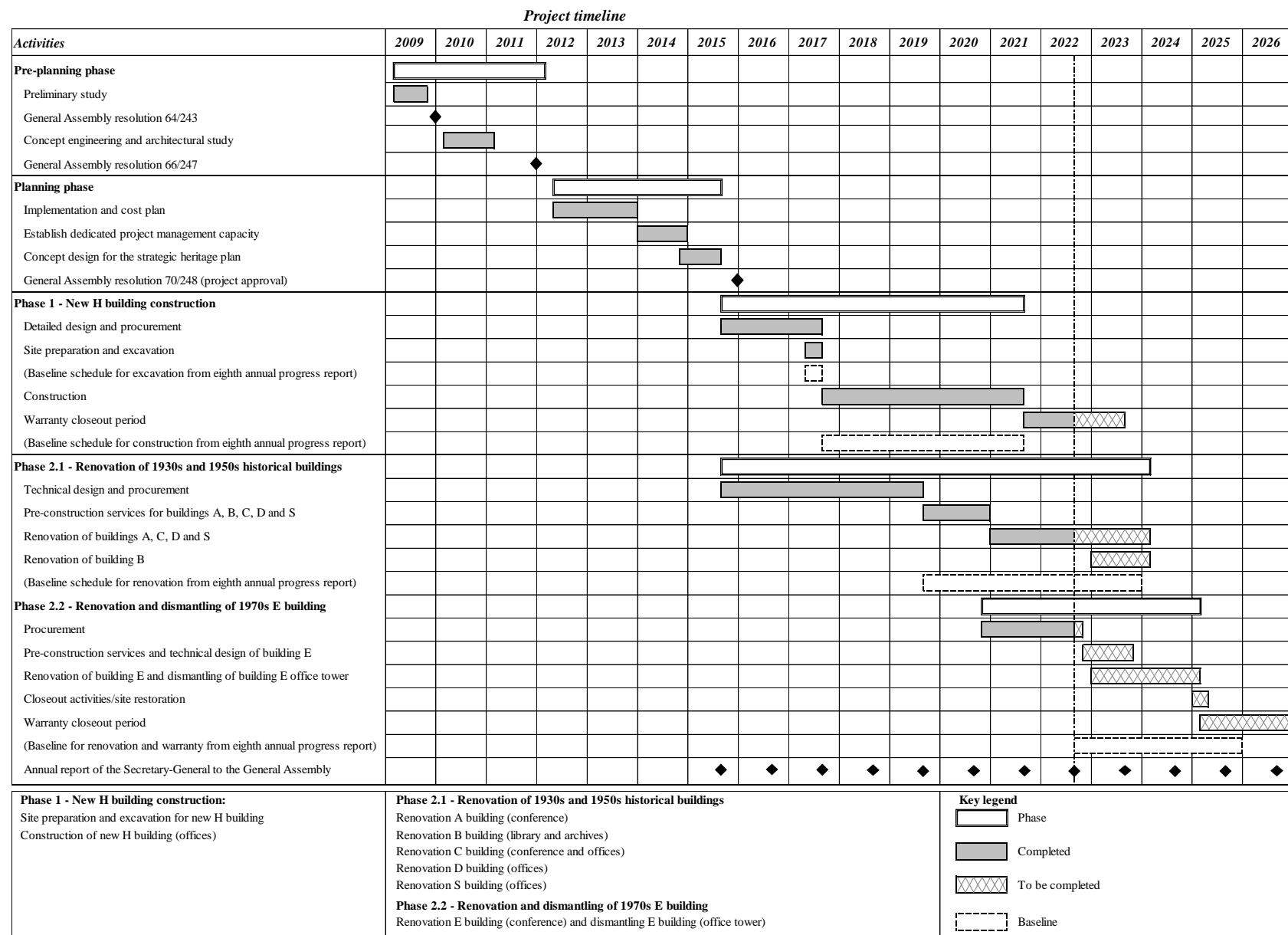
57. Although substantial completion of the new building, building H, was achieved in October 2021, the strategic heritage plan team continues to work with the contractor to finalize the resolution of punch list items for building H, as well as the required seasonal commissioning activities for the building's energy-related systems, as necessitated by the environmental Leadership in Energy and Environmental Design sustainability and Minergie energy performance standards.

58. In addition to the external challenges noted previously, as a general trend in refurbishment of historic buildings, renovation works entail risks in terms of unforeseen tasks that might delay the completion of individual sections, as was the case for building D, which was delayed by the fire protection requirement regarding the unexpected steel structure discovered after demolitions, although this did not affect the overall critical path of the strategic heritage plan. In addition, upgrades on the quality of the audiovisual system have moved the completion date for sections AC, A and AB to the last quarter of 2022. These changes will give rise to better services for conferences and to business continuity.

59. Regarding the procurement phase of the renovation and dismantling of building E, the request for proposal was issued to the bidders in mid-September 2021, and the bidders submitted their proposals in mid-February 2022. The procurement phase of building E was extended by eight months as bidders had requested more time in order to deliver better proposals and there was also an extension of time in the evaluation and contract negotiation. This delay has been mitigated by covering seven months by optimizing the sequence of works for building E and overlapping early action works with the main renovation works.

60. The contract schedule, which was included in the contracted guaranteed maximum price, has been impacted by the elements mentioned above, increasing the overall programme delay by one month. Therefore, the completion of the renovation of the historic buildings (phase 2.1) is planned in the first quarter of 2024 and the renovation and dismantling of the E building (phase 2.2) will be completed in early 2025.

Figure XI
Project schedule



61. Table 4 illustrates the dates of the main stages of the strategic heritage project and provides information and explanations about the delays and improvements on the schedule compared with the previous progress report:

Table 4

Updated schedule in tabular format, as compared with the schedule in the previous report

Phase/subphase	In current report		In previous report (A/76/350)		Change in end date	Reasons and comments
	Start	End	Start	End		
1. Pre-planning	March 2009	February 2012	March 2009	February 2012	No change	–
(i) Preliminary study	March 2009	October 2009	March 2009	October 2009	No change	–
(ii) Concept engineering and architectural study	March 2010	February 2011	March 2010	February 2011	No change	–
2. Planning	May 2012	August 2015	May 2012	August 2015	No change	–
(i) Implementation and cost plan	May 2012	December 2013	May 2012	December 2013	No change	–
(ii) Establish dedicated project management capacity	January 2014	December 2014	January 2014	December 2014	No change	–
(iii) Concept design for the strategic heritage plan	November 2014	August 2015	November 2014	August 2015	No change	–
3. Phase 1 – New H building construction	October 2015	September 2021	October 2015	September 2021	No change	–
(i) Detailed design and procurement	October 2015	August 2017	October 2015	August 2017	No change	–
(ii) Site preparation and excavation	April 2017	August 2017	April 2017	August 2017	No change	–
(iii) Construction	September 2017	October 2021	September 2017	September 2021	Extended by 1 month	Substantial completion was reached on 4 October 2021
(iv) Warranty closeout period	October 2021	October 2023	–	–	–	Warranty closeout period was not shown in the previous report
4. Phase 2.1 – Renovation of 1930s and 1950s historical buildings	October 2015	March 2024	October 2015	December 2023	Extended by 3 months	Delays due to COVID-19, supply chains disruption and conference rooms upgrades
(i) Technical design and procurement	October 2015	November 2019	October 2015	November 2019	No change	Completed
(ii) Pre-construction services of buildings A, B, C, D and S	November 2019	December 2020	November 2019	December 2020	No change	Completed
(iii) Renovation of buildings A, C, D and S	January 2021	March 2024	January 2021	December 2023	Extended by 3 months	See above in phase 2.1
(iv) Renovation of building B	January 2023	March 2024	January 2023	December 2023	Extended by 3 months	See above in phase 2.1
5. Phase 2.2 – Renovation and dismantling of 1970s E building	December 2020	January 2025	December 2020	December 2024	Extended by 1 month	See above in phase 2.1 Also delays due to the time extension in the building E procurement process Mitigation of 7 months: optimization on building E works and overlapping of early action works with the main renovation works

Phase/subphase	In current report		In previous report (A/76/350)		Change in end date	Reasons and comments
	Start	End	Start	End		
(i) Procurement	December 2020	September 2022	December 2020	January 2022	Extended by 8 months	Delays due to extension of time in the bidders proposals process, evaluation and contract negotiation
(ii) Pre-construction services and technical design of building E	September 2022	September 2023	January 2022	January 2023	Extended by 8 months	See above in phase 2.2 (i)
(iii) Renovation of building E and dismantling of building E office tower	February 2023	January 2025	October 2022	December 2024	Extended by 1 month	See above in phase 2.2
(iv) Closeout activities/site restoration	January 2025	April 2025	–	–	–	Closeout activities/site restoration period was not shown in the previous report
(v) Warranty closeout period	February 2025	January 2027	January 2025	December 2025	Extended by 1 year	Contract tendered with 2-year warranty period

VI. Projected expenditures and anticipated costs

62. Table 5 shows the latest revised cost plan which reflects the current project progress and the forecast of remaining costs to achieve the approved project scope, which continues to be based on the approved maximum budget of SwF 836.5 million.

Table 5
Projected summary cost plan for the strategic heritage plan project, 2014–2025

(Thousands of Swiss francs)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Construction of new building	–	–	–	10 599	27 612	30 486	41 577	10 247	2 977	–	–	–	123 497
Renovation work	–	–	–	–	75	12 464	19 405	78 402	102 455	110 185	77 603	8 028	408 617
Dismantling seven floors of building E	–	–	–	–	–	–	–	–	–	12 799	3 578	–	16 377
Associated costs	–	–	–	316	1 005	262	3 295	5 681	6 185	2 955	1 507	212	21 420
Consultancy services	1 705	23 685	36 857	9 096	16 073	11 765	12 505	9 477	8 300	9 152	7 705	1 838	148 157
Project management	1 268	2 890	3 981	4 002	3 688	4 040	4 421	3 854	4 514	4 570	3 860	1 656	42 744
Escalation	–	–	–	–	–	–	–	–	–	125	282	169	576
Subtotal	2 973	26 575	40 838	24 013	48 453	59 016	81 202	107 661	124 431	139 785	94 535	11 903	761 386
Contingencies	–	–	–	–	–	–	–	–	6 355	33 898	31 200	3 502	74 955
Escalation on contingencies	–	–	–	–	–	–	–	–	–	38	88	32	158
Total	2 973	26 575	40 838	24 013	48 453	59 016	81 202	107 661	130 786	173 721	125 824	15 437	836 500

63. The updated cost estimate for the core costs of the project, namely the costs excluding contingencies, currently stands at SwF 761.4 million, which is SwF 38.5 million lower than forecast in the eighth annual progress report. This

decrease is due to the implementation of value engineering items, cost control measures and the results of the E building tender, together with further cost-saving measures taken during the reporting period.

64. Actual cumulative project expenditure for the period from 2014 to 31 July 2022 amounts to SwF 471.9 million and projected expenditure for the remainder of 2022 is estimated at SwF 49.6 million, as shown in tables 6 and 7. Further breakdowns of costs by type for each funding source are presented in tables A.I.1, A.I.2 and A.I.3 in annex I.

Table 6

Approved total funding and projected expenditure for 2014–2022, by funding source

(Thousands of Swiss francs)

	(A)	(B)	(C)	(D=B+C)	(E)	(F=D/E)
<i>Funding source</i>	<i>Funding 2014–2022</i>	<i>Expenditure as at 31 July 2022</i>	<i>Projected expenditure August– December 2022</i>	<i>Total projected expenditure 2014–2022</i>	<i>Approved budget in 2015^a</i>	<i>Budget completion rate (percentage)</i>
Cumulative projected						
Member States funding	283 001.6	238 773.9	39 704.5	278 478.4	436 500.0	63.8
Cumulative projected Swiss						
loan funding	241 100.0	232 891.5	8 208.5	241 100.0	400 000.0	60.3
Cumulative other funding	1 938.9	210.5	1 728.4	1 938.9	–	–
Total	526 040.4	471 875.9	49 641.4	521 517.4	836 500.0	62.3

^a See General Assembly resolution 70/248 A.

Table 7

Approved total funding, projected expenditure and contingencies^a for 2014–2022, by cost category

(Thousands of Swiss francs)

	(A)	(B)	(C)	(D=B+C)	(E)	(F=D/E)
<i>Cost category</i>	<i>Funding 2014–2022</i>	<i>Expenditure as at 31 July 2022</i>	<i>Projected expenditure August– December 2022</i>	<i>Total projected expenditure 2014–2022</i>	<i>Approved budget in 2015^b</i>	<i>Budget completion rate (percentage)</i>
Construction and refurbishment	353 259.2	303 490.6	38 773.1	342 263.7	609 651.9	56.1
Design, consultancy and contracted external expertise	115 556.3	125 367.9	4 148.1	129 516.0	127 307.7	101.7
Associated costs	22 270.2	12 397.4	4 682.4	17 079.8	58 366.7	29.3
Project management team and operational expert team	34 355.2	30 205.2	2 024.4	32 229.6	40 373.9	79.8
Travel	599.6	414.8	13.4	428.1	799.8	53.5
Total	526 040.4	471 875.9	49 641.4	521 517.4	836 500.0	62.3

^a Contingencies are included in the relevant cost categories.

^b See General Assembly resolution 70/248 A.

65. Cumulative expenditure against assessments on Member States amounts to SwF 238.8 million as at 31 July 2022, and projected cumulative expenditure against that funding source until the 2022 year-end is currently forecast at SwF 278.5 million,

as indicated in table A.I.1 in annex I. That would yield an expected year-end balance from appropriation and assessment on Member States of approximately SwF 4.5 million. The actual year-end balance may vary depending on whether the contingency allowance is further used by the end of 2022.

66. In his previous progress report, the Secretary-General indicated that the cumulative approved funding expected to be drawn from the Swiss loan by the end of 2022 would amount to SwF 249.6 million. Owing to the updated programme schedule, the expected cumulative forecast expenditure at the end of 2022 against the Swiss loan amount has now been revised slightly to SwF 241.1 million, as indicated in table A.I.2 in annex I.

67. Cumulative expenditure against other funding sources relates to the funding from voluntary donations received from Andorra, China, Monaco and Montenegro, as indicated in table A.I.3 in annex I. Projected cumulative expenditure of SwF 1.9 million at the end of 2022 relates to design and renovation activities funded by those donations.

VII. Financing

A. Host country loan agreement

68. The full amount of SwF 125.1 million from the host country's interest free loan has been expended for the new H building. The Secretary-General reiterates the appreciation of the United Nations for the support of the host country with respect to the strategic heritage plan, as well as the commitment of Member States to the funding of the strategic heritage plan through both direct assessments and future repayments of the loan.

B. Detailed host country loan repayment plan

69. As the new building, building H, has now been occupied since May 2021, the 50-year loan repayment for the loan portion began in December 2021. The repayment of the renovation portion of the loans is estimated to start at the end of December 2025, in the year of the planned completion of the renovation works to building E.

70. In its resolutions [74/263](#) and [75/253](#) and [76/246](#), the General Assembly decided that the annual repayments of the loan to the host country would be funded under the regular budget until decided otherwise. In that context, loan repayments have therefore been included in the proposed programme budget for 2022 and 2023 under section 33, Construction, alteration, improvement and major maintenance.

C. Contingency management

Methodology

71. As described in previous progress reports, contingency management for the project continues to be based on the risk-based contingency forecasts provided by the independent risk management firm (see section III.I above).

72. The model used by the project recalculates the required contingency each quarter using the Monte Carlo simulation method and specialized software, based on an extensive list of risks together with a range of cost possibilities and a probability of occurrence. The chosen industry benchmark level for the project is to allow for a

contingency allocation sufficient to cover all the possible risk and uncertainty combinations at a confidence level of 80 per cent.

Analysis

73. Figure XIII shows that, currently, an amount of SwF 75.1 million is needed as contingency to deliver the project within budget, which currently represents a confidence level of 53 per cent. Further, figure XII indicates that contingency budgets of SwF 75 million and SwF 82.5 million would be needed to meet the confidence level targets at 50 per cent and 80 per cent, respectively, which were recommended by the Board of Auditors to be tracked. A confidence level of 80 per cent is also the organizational target for global construction projects. The amount of SwF 82.5 million (P80 value), which would be the required contingency amount to meet the Organizational target, currently exceeds the approved project costs by SwF 7.4 million.

Figure XII
Trend of available and probabilistic contingency

(Millions of Swiss francs)

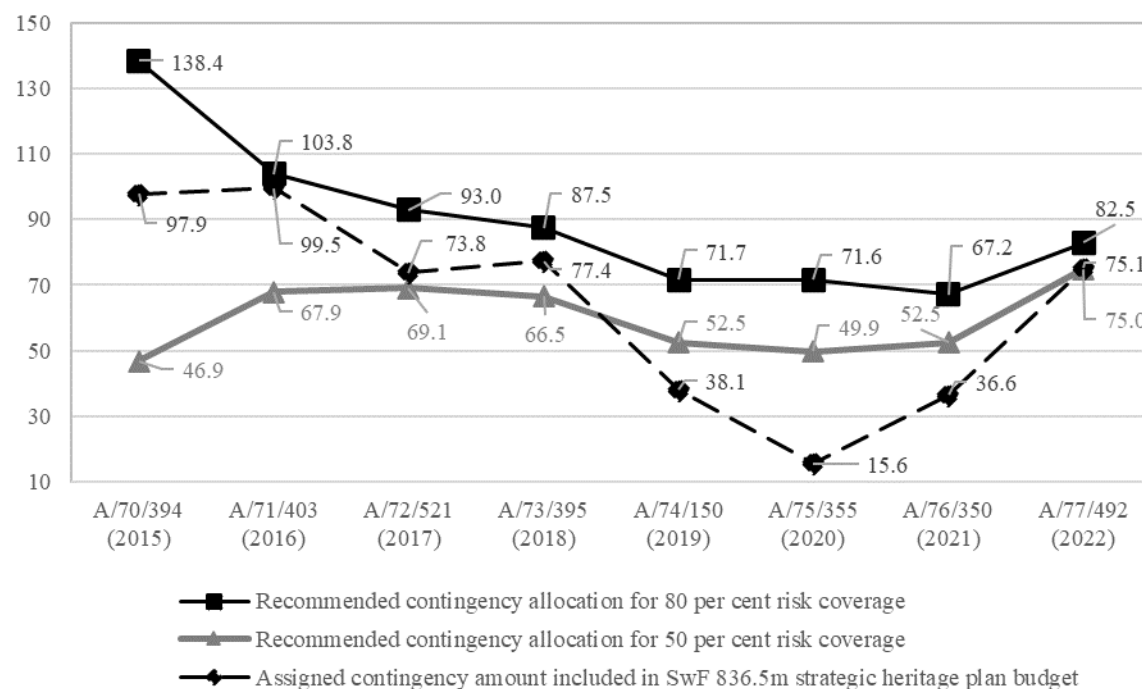
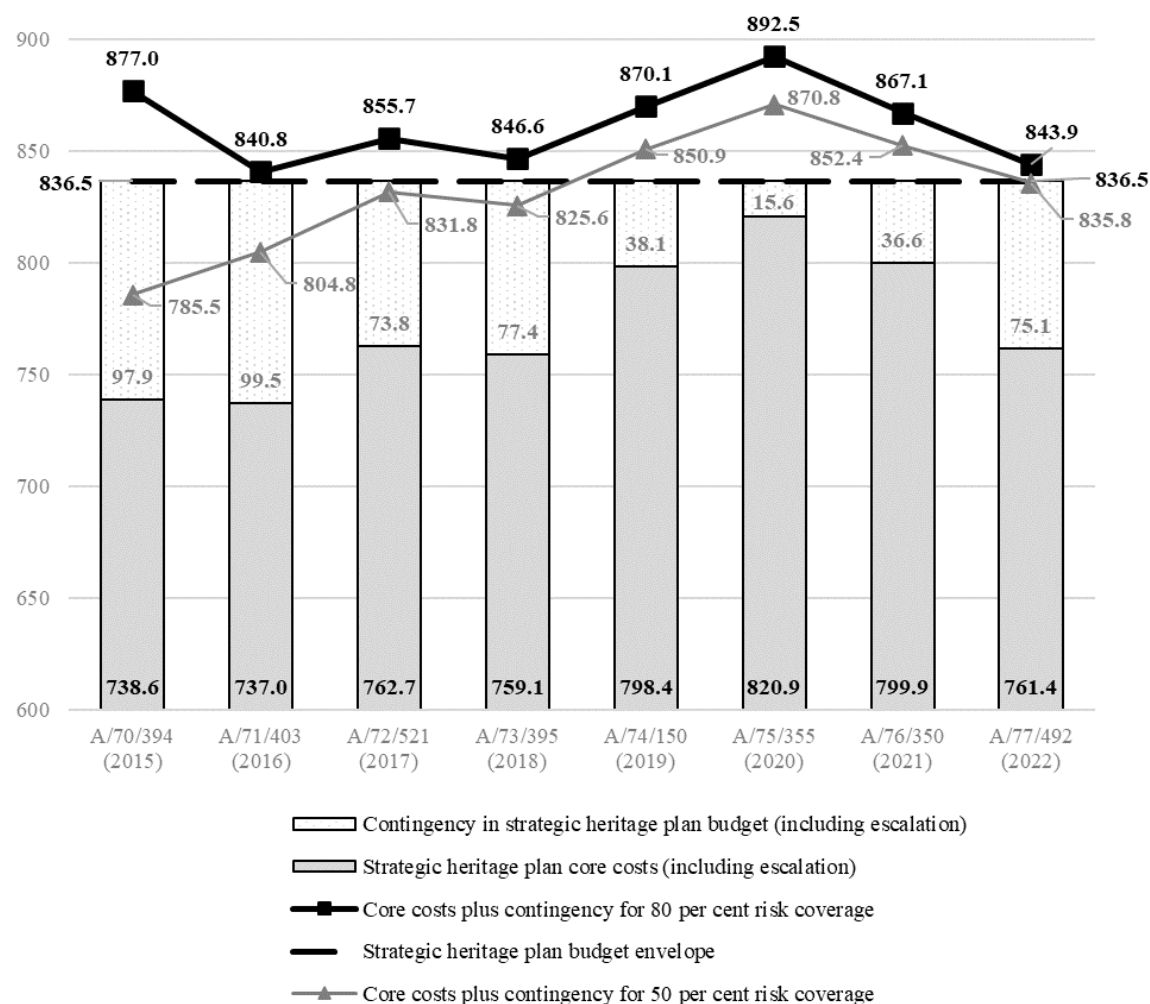


Figure XIII
Trend of forecast project core costs and of available and probabilistic contingency

(Millions of Swiss francs)



Mitigation strategy

74. The mitigation strategy prior to the outbreak of the COVID-19 pandemic, as explained in previous reports of the Secretary-General, was to take advantage of the pre-construction services phase of the historic buildings renovation contract, which represents approximately 50 per cent of the value of the construction work, in order to determine the accurate market costs for the work, using the experience, knowledge and market position of the contractor to identify and enact further value engineering opportunities. This has proved equally successful for the renovation and dismantling contract and the same approach will be used for the E building contract.

75. In addition, the guaranteed maximum price contract for the renovation and E building contracts include a shared savings mechanism in which the contractor is incentivized to deliver the project below that price in order to benefit from a share of the amount saved. This ensures that the contractor's objectives are fully aligned with that of the United Nations, which is to drive down the cost of work. This has the added benefit of reducing, in so far as it is possible, the usage of the project contingency. Moreover, the bidders were able to offer value engineering as part of the tender

process. It should be noted that variations to the contract will still increase the agreed level of the guaranteed maximum price, as they would with all contracts.

76. The next stage of the mitigation strategy is to complete the technical design and carry out the open book pre-construction services for the building E contract, leading to the agreement of a guaranteed maximum price for this final stage of the strategic heritage plan work. Over the next 12 to 18 months, this will bring more cost certainty to this last remaining part of the work, with the aim of securing it within the originally estimated budget level.

77. In parallel, the project owner approved several value engineering solutions for buildings B and E that reduce the overall cost of the strategic heritage plan project while still meeting the end user's requirements. These measures will not affect the scope of the project and include, for example, discontinuing fixed desk phones and replacing them with telephony via laptops, replacing some materials with more economical options that offer the same functionality and adapting existing counters instead of purchasing new ones.

78. The present report does not include any proposals for reductions to the approved scope of the project. The Secretary-General may, if and when necessary, propose scope reductions in future reports for consideration and approval by the General Assembly, to mitigate the risk of cost overruns, should it become necessary.

Use of contingency

79. In total, SwF 7.8 million of contingency was used in the reporting period since the previous figures were provided in the annual report of the Secretary-General, from the end of July 2021 through to the end of July 2022, primarily in respect of variations related to the renovation of the historic Palais des Nations as a result of developments on site (SwF 4.4 million), variations related to building H as a result of developments on site as this part of the project comes to a conclusion (SwF 1.3 million), the reconfiguration of the temporary conference building (SwF 0.2 million) and additional design costs (SwF 1.8 million), as well as other smaller changes amounting to SwF 0.2 million. As shown in figure XIII, the forecast of the final project core costs (including escalation) increased from the 2015 approved project baseline of SwF 738.6 million to SwF 758.4 million. The final forecast core costs decreased by SwF 38.5 million as compared with the forecast contained in the previous annual report. Of the contingency amount included in the estimated project cost that was presented in the second annual progress report of the Secretary-General ([A/70/394](#) and [A/70/394/Corr.1](#)), the total committed and used to date amounts to SwF 47.5 million, representing the sum of SwF 7.8 million for 2022 and the total of SwF 39.7 million reported for the years 2016 up to and including 2021 in the eighth annual progress report of the Secretary-General.

80. As in previous years, owing to the timing of the submission of the present report, usage of the remaining contingency forecast until the end of 2022 could still arise before the calendar year-end, should any further activities be required.

D. Scheme and currency of appropriation and assessment

81. The General Assembly, by its resolutions ([68/247](#), [69/262](#), [70/248](#), [71/272](#), [72/262](#), [73/279](#), [74/263](#), [75/253](#) and [76/246](#)) has, to date, appropriated a total amount of SwF 283.1 million for the period from 2014 to 2022, net of the contributions made for the annual repayments of the Swiss loan for the new building, which are reflected under section 33 of the regular budget ([A/77/6 \(Sect. 33\)](#)) for 2023. Additional voluntary contributions have been received from Member State donations and will be used to offset assessments on Member States in the amount of SwF 1.9 million in the

years when the costs funded by those contributions are incurred. Consequently, the approved cost of the project that remains to be financed by Member States amounts to SwF 151.6 million (excluding the utilization and repayment of the host State loan).

82. In addition to the funding from donations, the main funding streams (the host country loan and contributions from Member States) will continue to be utilized each year, in approximately equal amounts, until the total amount available from the Swiss loan is exhausted, whereupon the contributions from Member States will then complete the remaining funding required. The utilization ratio each year between these two main funding elements may be revised should the General Assembly decide upon an assessment scheme in the forthcoming session. The host country loan will be treated as follows:

(a) The Swiss loan portion for the new building, building H, totalling SwF 125.1 million, was utilized from 2017 to 2021 to fund all eligible costs for construction and consultancy services. The drawdown profile was SwF 15.0 million in 2017, SwF 22.0 million in 2018, SwF 28.5 million in 2019, SwF 49.0 million in 2020 and SwF 10.6 million in 2021;

(b) The Swiss loan portion for the renovation work is used to fund part of the eligible costs for the renovation work of the existing buildings, for which the host country loan agreement anticipates a total amount of SwF 274.9 million. SwF 50.0 million was drawn in 2021, and it is estimated that the amount to be drawn in 2022 should reach SwF 66.0 million, of which SwF 45.5 million has already been received as at the end of July 2022.

83. The three possible schemes of appropriation and assessment for the project (a one-time upfront appropriation and assessment, multi-year appropriations and assessments or a one-time upfront appropriation with a mix of one-time and multi-year assessments), as well as two options for the currency of appropriation and assessment (United States dollars or Swiss francs), which have been presented by the Secretary-General in all previous progress reports, remain valid. Updated charts reflecting these options and further detailed information on the choice of scheme and currency of assessment are presented in annex II to the present report.

84. While these three options present the same cash-flow risks and exhibit the same characteristics as described in previous reports of the Secretary-General, with the project scheduled for completion in a little over two years, the characteristics of the options of multi-year appropriations and assessments and of a one-time upfront appropriation with a mix of one-time and multi-year assessments tend to become similar, and the Secretary-General continues to emphasize the need for all Member States to pay the amounts assessed for the project on time and in full.

85. Should Member States continue to decide upon the second option, with appropriations and assessments based on the estimated expenditures for each financial period, as has been the practice in previous years, the amount required to be appropriated for 2023 would be SwF 82.3 million, after allowing for the carrying over of funds already assessed that were not used in 2022.¹

E. Multi-year special account

86. In his previous annual progress reports on the strategic heritage plan ([A/70/394](#) and [A/70/394/Corr.1](#), [A/71/403](#) and [A/71/403/Corr.1](#), [A/72/521](#), [A/73/395](#), [A/74/452](#), [A/75/355](#) and [A/76/350](#)), the Secretary-General proposed that the accounting of the

¹ Current projections estimate that the 2022 year-end balance from available Member State assessments to be carried over for use in 2023 will amount to SwF 4.5 million.

project be undertaken through a multi-year special account, funded through appropriations and assessments separate from the regular budget. The establishment of a special account would enable the segregation of the cost of the strategic heritage plan from the programme budget of the Secretariat. It should be noted however that the established General Assembly practice since the inception of the project has been to appropriate the project requirements under the regular budget, and, as the estimated time to completion of the project is now only a little over two years, the impact of any alternative option would be limited.

87. It should also be noted that a special account would be essential if the Swiss franc were to be chosen as the currency of assessment, as the multi-year construction-in-progress account established within the regular budget of the United Nations is denominated in United States dollars and would not be able to accommodate appropriations and assessments in Swiss francs.

88. The multi-year special account would be closed after the financial and administrative closeout of the project once assessments have been paid in full by all Member States.

F. Update on alternative funding opportunities

Contributions from Member States to the strategic heritage plan

89. The United Nations Office at Geneva continues to remain proactive in its efforts to solicit further donors to contribute towards the financing of the construction and renovation work at the Palais des Nations and in this regard has emphasized that priority be given to those activities within the scope of the strategic heritage plan project as requested in General Assembly resolution [75/253](#), section IX, paragraph 24. The United Nations Office at Geneva reiterates its appreciation to those Member States who have made contributions to date.

Donations to the United Nations Office at Geneva from Member States

90. While donations are, as a matter of priority and in so far as possible, allocated to those activities within the scope of the project, it still ultimately remains the individual choice of Member States as to the scope of any donations that they wish to make. Therefore, further donations offered to the United Nations concurrently with the duration of the strategic heritage plan works, may still continue to consist of elements that are not within the scope of the project and would therefore not offset its overall costs.

Other proposed donations to the United Nations Office at Geneva

91. As outlined in previous reports of the Secretary-General ([A/73/395](#), [A/74/452](#), [A/75/355](#) and [A/76/350](#)), the United Nations continues to work with a private not-for-profit foundation on the in-kind donation of a new visitors' centre, to be located within the Palais des Nations grounds next to the Nations Gate. The status of this project is covered in more detail below. Detailed discussions have taken place with Azerbaijan regarding a donation to refurbish Room XV following the completion of the works in building AC, where this room is located. The room was last renovated in 2007 through a previous in-kind donation from Azerbaijan.

VIII. Other related considerations

A. Valorization of United Nations-owned land in Geneva

92. As previously reported in the eighth annual progress report of the Secretary-General, in March 2020, an agreement was signed with the Fondation pour la Cité de la musique de Genève and the Canton of Geneva 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. As part of the building permit application procedure of the Fondation pour la Cité de la musique de Genève, a public referendum on the proposal was held in Geneva in June 2021. A total of 50.86 per cent of referendum voters rejected the plans for the project.

93. Following this negative referendum result, the Fondation pour la Cité de la musique de Genève formally notified the United Nations Office at Geneva in late December 2021 of its decision to abandon the project and confirmed its cancellation of the 90-year lease agreement in accordance with the relevant conditions. This means that no further lease income will be received in 2022, and the land and villa will remain in the use of the Organization.

94. The United Nations Office at Geneva also owns one of the plots of lands identified for valorization, which has been rented to the International School of Geneva. The lessor has given notice, and the land will be ready for occupation as of 1 September 2023. Options for the future utilization of the plot of land are being considered, including lease arrangements in line with section VII of its resolution [74/263](#), wherein the General Assembly encouraged 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.

95. It will be recalled that, in this context, the Secretary-General was requested to present detailed plans on the valorization strategy and preparatory work, including the scope, duration and resource requirements for the preparatory work, for the consideration of the Assembly as early as practicable. Accordingly, the Secretary-General presented detailed plans for the valorization strategy in his seventh annual progress report. The General Assembly, in its resolution [75/253](#), endorsed the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions ([A/75/7/Add.12](#)), in which the Advisory Committee considered that the valorization strategy needed to reflect, inter alia, the full and long-term impact of the COVID-19 pandemic, the flexible working arrangements, potential changes in planned occupancy and the use of building information modelling. The Advisory Committee, therefore, recommended against the authorization of the costs for the preparatory work of the valorization strategy and further recommended that the Assembly request the Secretary General to present a refined valorization strategy in the context of the following progress report.

96. The Secretary-General, in line with the endorsement by the General Assembly of the recommendation of the Advisory Committee on Administrative and Budgetary Questions, further reviewed the approach to the valorization and development of other land and assets owned by the Organization in Geneva, in order to consider any effect on the strategy presented by the full and long-term impact of the COVID-19 pandemic, the flexible working arrangements, potential changes in planned occupancy and the use of building information modelling. These considerations were summarized in the eighth progress report ([76/350](#)), together with a request for an amount of \$55,800 for the consultancy services necessary to update the valorization strategy.

97. The General Assembly, in its resolution [76/246](#), Section XVIII, paragraphs 26 and 27, noted the Advisory Committee's endorsement in paragraph 34 of its report

(A/76/7/Add.15), of the merits of the Secretary-General's proposal. However, the General Assembly further decided to consider the possibility of allocating the proposed requirements for a valorization consultancy in the amount of \$55,800 during the main part of its seventy-seventh session and decided not to approve proposed requirements for a valorization consultancy for 2022, and adjust the amount of income section 2, General income, accordingly.

98. The Secretary-General has therefore been unable to make meaningful progress in updating the valorization strategy during the reporting period. It should be recognized that, with the withdrawal of the favourable lease proposal for the Feuillantines site, the overall amounts now realistically achievable for the valorization strategy are likely to be lowered in the short to medium term. In any case, given the outlined developments, the valorization strategy will need to be updated. It is estimated that a further amount of \$19,200 will be required to do so. To that end, the Secretary-General once again requested that the General Assembly endorse the implementation of the necessary consultancy work in order to update the valorization strategy as recommended by the Advisory Committee in its report of last year (A/76/7/Add.15), and to authorize the expenditure in a total revised estimated amount of \$75,000 for further consultancy fees, to be offset from income section 2 of the 2023 programme budget, which is estimated to amount to \$22.4 million in 2023, out of which \$2.3 million would be generated by the United Nations Office at Geneva (see A/77/6 (Income sect. 2)).

B. Security considerations

99. As described in previous annual progress reports of the Secretary-General, the United Nations Office at Geneva, in close liaison with the Department of Safety and Security, continues to actively engage in developing the security master programme² for the United Nations premises in Geneva.

100. The Secretary-General has determined that the security provisions initially envisaged in the scope of the strategic heritage plan remain valid, and some minor changes have been made to bring the design of the project fully in line with the up-to-date security master programme. These security systems further strengthen the physical infrastructure of the Palais des Nations campus in full accordance with the objectives of the security master programme.

101. These changes have not had an adverse impact on the cost or schedule of the strategic heritage plan. The United Nations Office at Geneva has assessed and prioritized the remaining resource requirements for the other aspects of the security master programme, and the Department of Safety and Security, following completion of a review, has validated the remaining elements to be undertaken as smaller separate projects over the coming years.

102. Originating from recommendations in the security master programme for the United Nations Office at Geneva developed in 2018, the Government of Switzerland announced a second in-kind donation of approximately SwF 1 million during the 2021 period, to provide for the strengthening of the Pregny vehicle access route in order to reduce the impact of a possible vehicle ramming attack. The Office and counterparts at the Permanent Mission of Switzerland to the United Nations Office and other international organizations in Geneva are currently in the process of formalizing a memorandum of understanding in order to start a feasibility study, in which the details of the project will be further developed.

² Changed from "security master plan" owing to the various associated programme elements identified.

C. Works of art, masterpieces and other gifts

103. As reported in the eighth annual progress report, an exhaustive inventory had been completed of all art works and gifts that had either been inherited from the League of Nations or received directly as donations by the United Nations Office at Geneva. Six Member States, namely, Albania, Azerbaijan, Canada, the Republic of Moldova, Norway and the Philippines, had requested temporary custody of their artworks until the completion of the relevant sections of the renovation work.

104. For those artworks, masterpieces and other gifts remaining, the renovation contractor has protected and/or removed and stored such objects with the requisite reasonable skill and care, utilizing an experienced specialist artwork removal company under the close direction and supervision of the art heritage expert. This has been done progressively as required by the programme and progress of the works with the contractor responsible for reinstalling the artworks in their final locations following completion of the relevant sections of works. Additional specialist insurance coverage has also been taken out by both the contractor and the United Nations Office at Geneva for their respective elements of these operations to ensure that, in the unlikely event of any damage, there is some coverage for the potentially high impacts that could be incurred in connection with the risks associated with these activities.

D. Non-strategic heritage plan projects

New visitors' centre

105. During the reporting period, the private not-for-profit foundation which is providing the new visitors centre continued to operate in close coordination with the United Nations Secretariat to prepare the beginning of the construction works and further develop the exhibition design. The new visitors' centre will be located within the Palais des Nations grounds next to the Nations Gate.

106. In the eighth progress report ([A/76/350](#)), paragraph 104, it was reported that a tender was ongoing for the design, supply and installation of the permanent exhibition, and that the construction of the centre was expected to start in early 2022. However, the foundation's construction tender process was delayed. During the first half of 2022, a specialized company was awarded the contract for the design of the permanent exhibition by the foundation. In June 2022, the donor informed the United Nations Office at Geneva that it had received further details from the exhibition design company and the construction tenders, which required them to proceed with a refinement of the cost estimate since the revised estimate was higher than had been previously envisaged and was outside the foundation's budget.

107. The donor is currently re-evaluating the scope of the building and identifying possible adaptations and value engineering options to realize the project. After the study is concluded, a revised timeline for construction will be defined, and the updated proposal will be presented to the United Nations Office at Geneva in the autumn of 2022. The foundation is, however, optimistic that the centre will open in 2024.

108. As outlined in the previous report of the Secretary-General ([A/76/350](#)), the operations of the new centre are expected to be cost-neutral to Member States. The Secretary-General will continue to report further on the project as part of the next annual progress report.

Expansion of Geneva main train station and track infrastructure

109. As stated in previous reports, a framework agreement was signed in 2019 by Swiss Federal Railways, the United Nations, represented by the United Nations Office at Geneva, and the City of Geneva for the temporary occupancy and cession of United Nations-owned land in relation to the expansion of the Geneva train track infrastructure.

110. Further to this agreement, a supplemental agreement was signed in July 2021 between Swiss Federal Railways and the United Nations which included further details about the project, its implications and related compensation to the United Nations, as outlined in the previous report of the Secretary-General (A/76/350). Subsequently, Swiss Federal Railways have informed the United Nations Office at Geneva that, owing to changes to the original project, the works are currently not expected to start before 2027. The Office will continue to coordinate with the Swiss authorities and to provide updates in this regard.

United Nations Office at Geneva-World Intellectual Property Organization day-care centre

111. Further to the information provided in the eighth annual progress report regarding the feasibility study undertaken in early 2021 for the United Nations Office at Geneva and the World Intellectual Property Organization (WIPO) regarding the building of a day-care facility on land owned by the United Nations Office at Geneva, this project remains on hold pending further review and decision by WIPO as to whether it will proceed or not. Therefore, no further progress has been made in the reporting period. The Secretary-General will continue to provide updates in future reports, including on the project's financial impact, should the project go forward.

E. Post-strategic heritage plan maintenance considerations

112. Pursuant to General Assembly resolution [75/253](#) in which the Assembly endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions contained in [A/75/7/Add.12](#), the Secretary-General has initiated the preliminary steps to develop a post-strategic heritage plan maintenance strategy to ensure the optimal operation of the entire Palais des Nations compound, including all its buildings and infrastructure, over the long term, while protecting all investments made. In this context, the following core requirements have been identified:

(a) Safeguarding the significant investment made in the context of the strategic heritage plan renovation scope including the newly constructed building H, to ensure that the related expected benefits can be duly realized;

(b) Programming of post strategic heritage plan renovation requirements which will become due in the next decade;

(c) Assessment of buildings not included in the strategic heritage plan and a determination of their potential uses based on an overall, long-term needs analysis for office space, conferencing, storage, archiving and other facility requirements.

113. To this end, a comprehensive study is being proposed as part of the Secretary-General's capital investment plan for the Organization, which is anticipated to be submitted to the General Assembly in late 2022. The study will provide the basis for a comprehensive site preservation strategy and plan for the entire Palais des Nations campus. Subsequently, a maintenance strategy is to be implemented for all premises of the United Nations Office at Geneva, for example, for all buildings in the

compound, including the newly renovated as well as those newly constructed as part of the strategic heritage plan project.

114. The strategy to be established will be based on a planned preventive regime that includes the regular life cycle replacement of building components at the end of each of their respective useful lives, with a view to making the best use of resources, providing much better value for money. This would ideally avoid a future strategic heritage plan-type project, which would otherwise be necessary in the future. The maintenance plans of the historical buildings will also be defined progressively, along with the phased delivery of the premises renovated under the strategic heritage plan.

115. Notably, as a result of the aim of the strategic heritage plan project to ensure code compliance, there is a significant increase in the number of technical building components that will require routine, regular and preventive maintenance, which in turn will have a significant bearing on the expected annual maintenance costs of maintaining buildings and ensuring efficient building operations.

116. Identified post-strategic heritage plan maintenance requirements will form the key elements of the future preservation strategy, in which the overall maintenance requirements will be set out, optimizing planned preventative maintenance approaches and practices, assessing the optimum value for money balance between outsourcing and in-house provision of maintenance, while ensuring the most cost-effective use of resources over the long term.

117. The aim of this post-strategic heritage plan maintenance strategy would be to protect the investment made to preserve the premises of the United Nations Office at Geneva, while taking into consideration not only the cultural heritage and the historic nature of the premises, but also the relationship between the built environment, the natural surroundings of Ariana Park, and the sustainability of its systems and assets. The strategy envisaged has provisionally been coined the “United Nations Office at Geneva Capital Investment and Preservation Plan” (UNOG-CIPP). It is focused on safeguarding the major capital investment of the strategic heritage plan and reclaiming and optimizing space utilization throughout the campus and Ariana Park following the completion of the project.

IX. Next steps

118. The project team envisages that the following significant project design, contracting and construction activities will be carried out over the next two years:

(a) The technical design completion and pre-construction services for building E during the remainder of 2022 and 2023, culminating in the agreement of a guaranteed maximum price in 2023;

(b) The closure of building E and the commencement of the early action works, which includes the dismantling and removal of the office tower, and the commencement of the renovation works to the conference and ancillary areas of building E, including the necessary movements of staff during 2023 and 2024;

(c) The implementation of change management and transition activities related to the progressive completion of, and staff moves to, the renovated historic buildings of the Palais, including the planning and executing of the moves of OHCHR staff into building H while seeking to maximize efficiencies through co-location and training staff on how to use the modernized work environment;

(d) The progressive completion of the renovation work, including commissioning and handover of completed sections AC, A and AB of the historic

Palais des Nations and ensuring the operational readiness of the conference rooms, from the last quarter of 2022 onwards in advance of the closure of building E;

(e) The further progressive completion of the remaining areas of the historic Palais des Nations during the latter part of 2022, 2023 and into 2024;

(f) The implementation and realization of the identified value engineering measures in the remaining works sections, together with close and tight management of the contingencies during the completion of remaining renovation works to ensure that the project can be completed on budget.

X. Recommended actions to be taken by the General Assembly

119. The General Assembly is requested to:

(a) **Take note of the report;**

(b) **Decide on the scheme and currency of appropriation and assessment for the strategic heritage plan;**

(c) **Approve the establishment of a multi-year special account for the project;**

(d) **Approve the estimated requirements for the valorization consultancy work necessary to update the valorization strategy in the amount of \$75,000 for 2023 and the corresponding reduction in total income estimates in income section 2, \$22,352,200 to \$22,277,200.**

Annex I

Expenditures by funding source

Table A.I.1

Approved funding from Member States, realized and projected expenditures for 2014–2022

(Thousands of Swiss francs)

	(A)	(B)	(C=A+B)	(D)	(E)	(F=D+E)
<i>Description</i>	<i>Approved Member State funding 2014–2021</i>	<i>Approved Member State funding 2022</i>	<i>Total approved Member State funding 2014–2022</i>	<i>Expenditures as at 31 July 2022</i>	<i>Projected expenditures August– December 2022</i>	<i>Total projected expenditures 2014–2022</i>
Construction and refurbishment	86 270.0	35 472.5	121 742.5	82 121.2	28 836.2	110 957.5
Design, consultancy and contracted external expertise	87 837.1	16 197.0	104 034.1	113 635.3	4 148.1	117 783.4
Associated costs	16 041.2	6 229.0	22 270.2	12 397.4	4 682.4	17 079.8
Project management team and operational expert team	30 455.2	3 900.0	34 355.2	30 205.2	2 024.4	32 229.6
Travel	549.6	50.0	599.6	414.8	13.4	428.1
Total	221 153.1	61 848.5	283 001.6	238 773.9	39 704.5	278 478.4

Table A.I.2

Approved funding from the Swiss loan, realized and projected expenditures for 2014–2022

(Thousands of Swiss francs)

	(A)	(B)	(C=A+B)	(D)	(E)	(F=D+E)
<i>Description</i>	<i>Swiss loan funding received 2017–2021</i>	<i>Projected Swiss loan funding 2022</i>	<i>Total projected Swiss loan funding 2017–2022</i>	<i>Expenditures as at 31 July 2022</i>	<i>Projected expenditures August– December 2022</i>	<i>Total projected expenditures 2014–2022</i>
Construction and refurbishment	163 577.8	66 000.0	229 577.8	221 369.3	8 208.5	229 577.8
Design, consultancy and contracted external expertise	11 522.2	–	11 522.2	11 522.2	–	11 522.2
Total	175 100.0	66 000.0	241 100.0	232 891.5	8 208.5	241 100.0

Table A.I.3

Approved funding from other sources, realized and projected expenditures for 2014–2022

(Thousands of Swiss francs)

	(A)	(B)	(C=A+B)	(D)	(E)	(F=D+E)
<i>Description</i>	<i>Other funding received 2014–2021</i>	<i>Projected other funding 2022</i>	<i>Total projected other funding 2014–2022</i>	<i>Expenditures as at 31 July 2022</i>	<i>Projected expenditures August– December 2022</i>	<i>Total projected expenditures 2014–2022</i>
Construction and refurbishment	–	1 728.4	1 728.4	–	1 728.4	1 728.4
Design, consultancy and contracted external expertise	210.5	–	210.5	210.5	–	210.5
Total	210.5	1 728.4	1 938.9	210.5	1 728.4	1 938.9

Annex II

Detailed information on financing schemes

A. Appropriation and assessment options

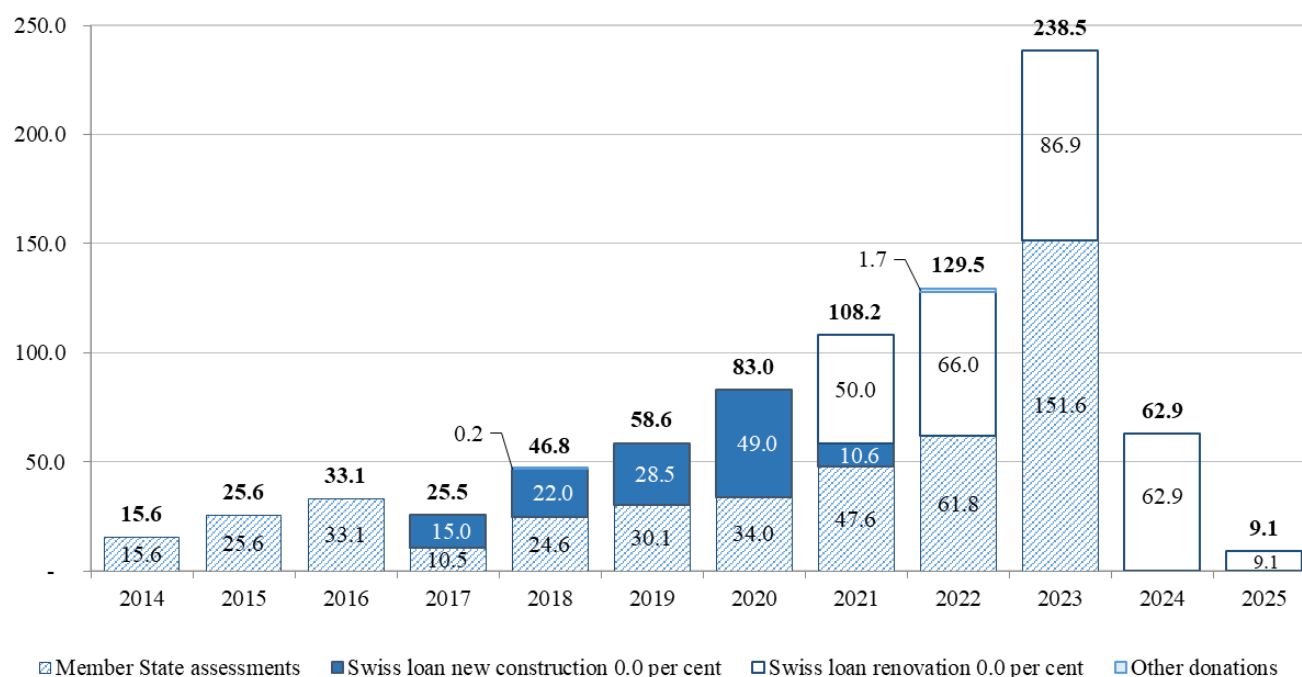
Option 1: One-time upfront appropriation and assessment

1. The remaining cost of the project to be financed by Member States from 2023 onward (SwF 151.6 million, excluding repayments of the loan) would be appropriated in its entirety in 2023, together with a one-time upfront assessment for each Member State's related share, based on the regular budget scale of assessment applicable to 2023. The detailed financing scheme of that option is reflected in figure A.II.I and table A.II.1. Funds required in future periods would then be carried over from this upfront assessment.

Figure A.II.I

Overall financing overview: upfront appropriation in 2023 and annual use of loans

(Millions of Swiss francs)



Option 2: multi-year appropriations and assessments

2. Multi-year appropriations and their related annual assessments on Member States could be based on the estimated expenditures for each financial period, or on the average annual projected expenditures, as explained in paragraphs 3 and 4 below. For both options, the regular scales of assessment applicable to each financial period for which the assessments are made would be used.

Based on the estimated expenditures for each financial period

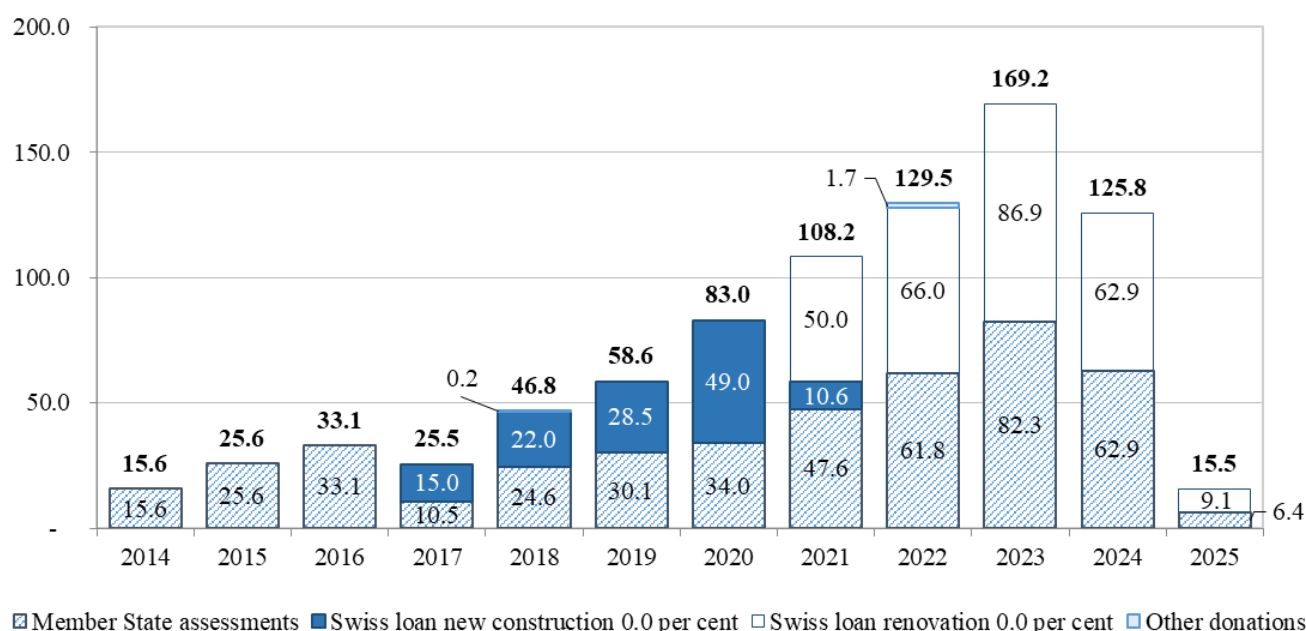
3. Figure A.II.II depicts the overall financing scheme based on the estimated expenditures for each financial period (see also table A.II.2 for the detailed financing scheme). The yearly use of the renovation loan and of assessed contributions would be determined annually from 2024 onward as 50 per cent of the total required funding

from the loan and 50 per cent from assessed contributions (less any income received from voluntary donations and including any carry-over from previous periods under the respective funding source). Depending on the timeliness of the assessment payments received from Member States, there could be some cash-flow risks to the project under that option.

Figure A.II.II

Overall financing overview: appropriation and loans based on annual projected expenditures

(Millions of Swiss francs)

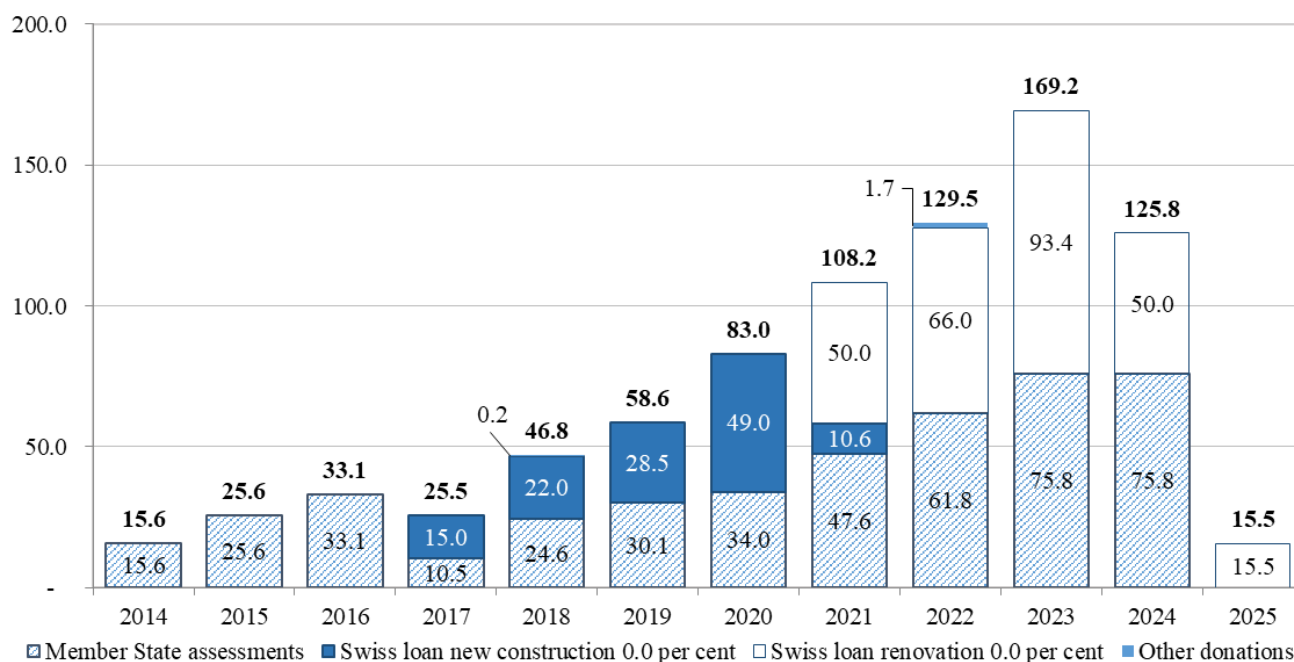


Based on the average annual projected expenditures

4. Figure A.II.III depicts the overall financing scheme with equal assessments on Member States over the two-year period 2023 to 2024 in annual amounts of SwF 75.8 million, based on the average of the total project resource requirements (see also table A.II.3 for the detailed financing scheme). The requirements for the last project year (2025) are factored into the preceding two years' assessments and carried over from these. The use of the renovation loan would be adjusted accordingly, as also indicated in figure A.II.III.

Figure A.II.III
Overall financing overview: equal annual appropriation and annual use of loans

(Millions of Swiss francs)



Option 3: one-time upfront appropriation, with mix of one-time and multi-year assessments

5. Under this option, the remainder of project costs to be financed by Member States would be appropriated in its entirety at the beginning of 2022, but Member States would then each be able to decide whether their assessment would be a one-time upfront payment or assessed over the next three years, based on annual projected expenditures. Member States would have to make their selection (between upfront or annual payment) upon receipt of the assessment letter in January 2022, which would include the amounts corresponding to the two options. Once a Member State made a decision, it would be irrevocable. As the scale of assessment usually changes every three years, the General Assembly, under this option, would need to decide which scale of assessment to apply for the remaining life of the strategic heritage plan, currently scheduled until 2025, the latest scale of assessments approved by the General Assembly being for the period 2022–2024. This option could be favourable to the project, as it could possibly lead to upfront payments from some Member States that would create additional cash flow to mitigate any risk in that regard.

6. It should also be noted that under this option, the amount of future voluntary contributions received that cover elements within the scope of the project would be either returned to those Member States that have selected the one-time upfront payment option or credited against future yearly assessments of those Member States that have selected the multi-year option.

B. Currency risk management

7. United Nations financial regulation 3.10 provides that annual contributions and advances to the working capital fund shall be assessed and paid in United States dollars. Financial regulation 4.14 also provides that, unless otherwise provided by the

General Assembly, special accounts shall be administered in accordance with the Financial Regulations of the United Nations.

8. However, since contracts and related expenditures for the project are denominated primarily in Swiss francs, and since the loan from the host country is also in Swiss francs, the General Assembly may wish to decide that the appropriation and assessment for the strategic heritage plan be in Swiss francs, rather than United States dollars, to match the predominant expenditures. The risks associated with both options (appropriation and assessment in United States dollars or in Swiss francs), as well as possible and planned mitigating measures, were presented in previous annual progress reports of the Secretary-General. The risks remain as stated in the previous reports.

C. Negative interest rates

9. A dedicated Swiss franc bank account has been created for the strategic heritage plan to receive the disbursed loan amounts. The risks related to negative interest rates are being managed and mitigated through a combination of cash-flow management and a negotiated flexibility in the threshold level with the bank, although that may not be sufficient to avoid negative interest in the future, depending on the scheme and currency of appropriation selected and any future changes that may occur in negative interest regulations. As at 31 July 2022, no negative interest charges had been incurred by the project. Owing to the current economic climate of high interest rates, it is expected that this risk will decrease over the next year.

Table A.II.1

Overall financing overview: upfront appropriation, in Swiss francs

(Millions of Swiss francs)

	<i>Strategic heritage plan project period (2014–2025)</i>												<i>Total</i>
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	
Member State appropriation	15.6	25.6	33.1	10.5	24.6	30.1	34.0	47.6	61.8	151.6	–	–	434.6
Swiss loan new construction 0.0%	–	–	–	15.0	22.0	28.5	49.0	10.6	–	–	–	–	125.1
Swiss loan renovation 0.0%	–	–	–	–	–	–	–	50.0	66.0	86.9	62.9	9.1	274.9
Other donations ^a	–	–	–	–	0.2	–	–	–	1.7	–	–	–	1.9
Prior year-end balance carried forward	–	12.7	11.7	3.9	5.9	12.4	17.8	5.2	5.7	4.5	–	–	79.9
Balance at year-end to carry forward to next year ^b	(12.7)	(11.7)	(3.9)	(5.9)	(12.4)	(17.8)	(5.2)	(5.7)	(4.5)	–	–	–	(79.9)
Total, financing sources	3.0	26.6	40.8	23.5	40.3	53.3	95.6	107.7	130.8	242.9	62.9	9.1	836.5

^a The amounts refer to financial contributions from Andorra, China, Monaco and Montenegro.^b The projected year-end balance for 2022 is based on the assumption that the assigned contingency for 2022 would be used in 2022. The year-end balances of previous years reflect the difference between the actual expenditures and the sum of the total financing received plus the respective previous year's carry-over of the preceding year.

Table A.II.2

Overall financing overview: appropriation based on annual projected expenditures, in Swiss francs

(Millions of Swiss francs)

	<i>Strategic heritage plan project period (2014–2025)</i>												<i>Total</i>
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	
Member State appropriation	15.6	25.6	33.1	10.5	24.6	30.1	34.0	47.6	61.8	82.3	62.9	6.4	434.6
Swiss loan new construction 0.0%	–	–	–	15.0	22.0	28.5	49.0	10.6	–	–	–	–	125.1
Swiss loan renovation 0.0%	–	–	–	–	–	–	–	50.0	66.0	86.9	62.9	9.1	274.9
Other donations ^a	–	–	–	–	0.2	–	–	–	1.7	–	–	–	1.9
Prior year-end balance carried forward	–	12.7	11.7	3.9	5.9	12.4	17.8	5.2	5.7	4.5	–	–	79.9
Balance at year-end to carry forward to next year ^b	(12.7)	(11.7)	(3.9)	(5.9)	(12.4)	(17.8)	(5.2)	(5.7)	(4.5)	–	–	–	(79.9)
Total, financing sources	3.0	26.6	40.8	23.5	40.3	53.3	95.6	107.7	130.8	173.7	125.8	15.5	836.5

^a The amounts refer to financial contributions from Andorra, China, Monaco and Montenegro.^b The projected year-end balance for 2022 is based on the assumption that the assigned contingency for 2022 would be used in 2022. The year-end balances of previous years reflect the difference between the actual expenditures and the sum of the total financing received plus the respective previous year's carry-over of the preceding year.

Table A.II.3

Overall financing overview: equal annual appropriation, in Swiss francs

(Millions of Swiss francs)

	<i>Strategic heritage plan project period (2014–2025)</i>												<i>Total</i>
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	
Member State appropriation	15.6	25.6	33.1	10.5	24.6	30.1	34.0	47.6	61.8	75.8	75.8	–	434.6
Swiss loan new construction 0.0%	–	–	–	15.0	22.0	28.5	49.0	10.6	–	–	–	–	125.1
Swiss loan renovation 0.0%	–	–	–	–	–	–	–	50.0	66.0	93.4	50.0	15.5	274.9
Other donations ^a	–	–	–	–	0.2	–	–	–	1.7	–	–	–	1.9
Prior year-end balance carried forward	–	12.7	11.7	3.9	5.9	12.4	17.8	5.2	5.7	4.5	–	–	79.9
Balance at year-end to carry forward to next year ^b	(12.7)	(11.7)	(3.9)	(5.9)	(12.4)	(17.8)	(5.2)	(5.7)	(4.5)	–	–	–	(79.9)
Total, financing sources	3.0	26.6	40.8	23.5	40.3	53.3	95.6	107.7	130.8	173.7	125.8	15.5	836.5

^a The amounts refer to financial contributions from Andorra, China, Monaco and Montenegro.^b The projected year-end balance for 2022 is based on the assumption that the assigned contingency for 2022 would be used in 2022. The year-end balances of previous years reflect the difference between the actual expenditures and the sum of the total financing received plus the respective previous year's carry-over of the preceding year.

Annex III

Status of implementation of recommendations of the Board of Auditors

A. Status of implementation of recommendations of the Board of Auditors related to the strategic heritage plan contained in the financial report and audited financial statements for the year ended 31 December 2016 and report of the Board of Auditors, volume I¹

<i>Recommendation</i>	<i>Action reported by management</i>
The strategic heritage plan team should finalize the parts of the programme manual related to the construction phase and the project owner should approve and implement the programme manual.	Implemented

B. Status of implementation of recommendations of the Board of Auditors contained in its report on the strategic heritage plan for the year ended 31 December 2017²

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that management underline the importance of a decision to be taken by the General Assembly at its seventy-third session regarding the scheme and currency of appropriation and assessment for the strategic heritage plan to secure the financing of the project.	Implemented
Management should develop a sound and clear maintenance and operational strategy for the period during which sections of the Palais des Nations will have been already renovated while other connected sections will still be under construction. The experience of the Facilities Management Section needs to be considered in the development of this strategy.	Implemented
The Board recommends that management enhance its efforts to mitigate the impact of its buildings on the natural environment through sustainable design and ensure that the contractor for the new building performs its work with the objective of fulfilling all environmental categories from the Leadership in Energy and Environmental Design green building certification systems, as stipulated in the contract.	Implemented
Management should update and calculate the applicable and potential rental income of premises based on current contracts, data and realistic assumptions, taking into account the number of relocating staff, appropriate rental cost (using the arm's length principle) and an updated funding key for the Office of the United Nations High Commissioner for Human Rights.	Under implementation as the final occupants will be known only after the project is completed

¹ A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1.

² A/73/157.

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that management charge the cost for maintenance and for safety and security for the new building proportionally to all potential users in accordance with their individual needs.	Under implementation as the final occupants will be known only after the project is completed.
Management should develop a detailed valorization strategy for all parcels with valorization potential.	Implemented

C. Status of implementation of recommendations of the Board of Auditors related to the strategic heritage plan contained in the financial report and audited financial statements for the year ended 31 December 2018 and report of the Board of Auditors, volume I³

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the risk management firm send the quarterly report directly to the project owner.	Implemented
The Board recommends that the strategic heritage plan team develop, in close cooperation with the Facilities Management Section, a handover procedure manual. This would ensure that the responsibilities, procedure and expected handover documents are clear for the strategic heritage plan team and for the Facilities Management Section. The goal must be to hand over the sections of the work from the contractor to the strategic heritage plan team and the United Nations Office at Geneva/Facilities Management Section at the same time.	Implemented
The Board recommends that Management confirm its decision to install bicycle racks in time for the opening of the new building.	Implemented

D. Status of implementation of recommendations of the Board of Auditors contained in its report on the strategic heritage plan for the year ended 31 December 2019⁴

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the United Nations Office at Geneva develop additional mitigation strategies in case the guaranteed maximum price value will be higher than assumed.	Implemented
The Board recommends that the strategic heritage plan team revise the current project status chart to report on the actual and budget cost of each contract phase separately in the monthly reports to the project owner from the start of the renovation works.	Implemented

³ A/74/5 (Vol. I).

⁴ A/75/135.

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the United Nations Office at Geneva incorporate project status charts in the report to the General Assembly.	Implemented in annex IV to the present report
With regard to future procurement of renovation construction works, the Board recommends that the United Nations Office at Geneva incorporate lessons learned and implement, from the outset, contracting strategies that are balanced in an appropriate way. Such strategies would further enable potential qualified contractors to opt to participate in the tender and submit competitive bids while not taking on excessive risk to the United Nations.	Implemented
The Board recommends that the strategic heritage plan team continue its efforts to determine and communicate a robust project schedule by avoiding over-optimistic time frames.	Implemented
The Board recommends that the United Nations Office at Geneva define and document a forward-oriented transversal strategy on how the building information modelling method would support the Office throughout the entire lifetime of the buildings of the Palais des Nations.	Under implementation
The Board recommends that the strategic heritage plan team document the design progress and quality of the digital models at the end of each design stage by approving the respective digital building models for the rest of the strategic heritage plan project.	Implemented
The Board recommends that the strategic heritage plan team continue to link the responsibility for the quality of the building information models with their respective providers at all design and construction stages, at least for the renovation of building E.	Implemented
The Board recommends that management conduct a further detailed review and continue to further refine the calculation of energy saving measures and expected energy use.	Implemented
The Board recommends that the United Nations Office at Geneva report on the projected number of occupants following the implementation of the strategic heritage plan in each annual progress report of the Secretary-General.	Implemented in the present report (see table 1)
The Board recommends that the United Nations Office at Geneva report on the projected number of workspaces following the implementation of the strategic heritage plan in each annual progress report of the Secretary-General.	Implemented in the present report (see table 1)
The Board recommends that the strategic heritage plan team assess whether the number of fire exits, particularly on level 6 and for the town hall stairs, remains compliant with the number of allowed persons during the operational phase of the building.	Implemented
The Board recommends that the United Nations Office at Geneva assess and apply measures to lower carbon emissions when planning and constructing future buildings, thereby also taking a life-cycle assessment into account.	Implemented

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the United Nations Office at Geneva summarize all relevant information on valorization including the supplementary information provided to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee (excluding commercially sensitive information) in a structured, concise and coherent document, update it, if necessary, in the course of time, and use this document as a basis to confidentially inform the General Assembly and other stakeholders.	Implemented

E. Status of implementation of recommendations of the Board of Auditors contained in its management letter on the strategic heritage plan for the year ended 31 December 2020⁵

<i>Recommendation</i>	<i>Action reported by management</i>
The risk management firm integrate a “responses risk register” into future monthly risk management reports.	Implemented
The risk management firm standardize the presentation of COVID-19 risks in risk registers in quarterly and monthly risk management reports.	Implemented
The risk management firm correct the anomalies in the risk database and keep it correct and up to date.	Implemented
The strategic heritage plan team fill in all data fields if a risk has been taken up in the risk register.	Implemented
The strategic heritage plan team review the risk database contents by means of an extract from the risk database and inform the integrated risk manager about anomalies.	Implemented
The strategic heritage plan team, in cooperation with the independent risk management firm, define the role “action owner” in the risk management strategy and distinguish its tasks and responsibilities from those of the role “mitigation owner”.	Implemented
The strategic heritage plan team explain in the risk management strategy what a fallback plan is.	Implemented
The strategic heritage plan team adapt the risk management strategy to the actual approach for the risk database update.	Implemented
The strategic heritage plan team review the entries and invoices charged to “other capitalizable costs” AA-000018.10 and, as far as possible, directly assign these to the specific buildings. We also recommend that the strategic heritage plan team allocate the remaining capitalized costs via an appropriate percentage rate to the different buildings.	Implemented
The strategic heritage plan team extend the project structure and include costs for the programme management firm, the independent risk management firm and the technical support service firm in the building-specific “other capitalizable costs”.	Implemented

⁵ A/76/5 (Vol. I).

<i>Recommendation</i>	<i>Action reported by management</i>
The strategic heritage plan team allocate remaining costs charged to “other capitalizable costs” AA-000018.10 to the different buildings on a yearly basis.	Implemented
The strategic heritage plan team formalize the coordination with the Secretariat in New York, in particular the global asset management policy service and document communication on accounting decisions or advice.	Implemented
The strategic heritage plan team ensure timely settlement of the temporary conference building to the final assets.	Implemented
The strategic heritage plan team and the United Nations Office at Geneva ensure a monthly settlement of costs to assets under construction for the amount that was charged against the Division of Conference Management’s budget.	Implemented
The strategic heritage plan team assign the directly attributable costs to the temporary conference building.	Implemented
The strategic heritage plan team apply a useful life of seven years to the temporary conference building, as determined in the United Nations corporate guidance on property, plant and equipment for temporary buildings, and review the useful life of the audiovisual equipment.	Implemented
The strategic heritage plan team review the journal entries made in Umoja for the transfer of audiovisual equipment to the United Nations Office at Geneva.	Implemented
The strategic heritage plan team allocate SwF 829,194 recorded currently under building H as asset under construction to the building E car park asset (final asset) and start the depreciation as of the completion date in January 2019.	Implemented
For assets which become available for use in the future (i.e., the new permanent building), the United Nations Office at Geneva and the strategic heritage plan team review the direct attributable costs (labour, material and overhead) within the project that are to be split across different assets. This is to ensure that an asset moves from “under construction” status to “final” when the asset is substantially complete, accepted and available for use, thereby also taking into account the International Public Sector Accounting Standards Policy Framework.	Implemented
The strategic heritage plan team sign a substantial completion only at the point when the contractor has sufficiently complied with his contractual responsibilities and the construction work is ready to be handed over to the United Nations Office at Geneva.	Implemented
The strategic heritage plan team ensure that the punch list includes all remaining defects, addresses who is responsible and includes the timing when each defect should be completed.	Implemented
The strategic heritage plan team reduce the average processing time during the response process and reduce the backlogs.	Implemented

<i>Recommendation</i>	<i>Action reported by management</i>
The strategic heritage plan team make sure that the as-built building information modelling models for sections 1 and 2 are updated and the operation, maintenance and asset management files are delivered.	Implemented
The strategic heritage plan team ensure that the files of the upcoming as-built building information modelling models are accurate and complete to ensure a correct operation, maintenance and asset management.	Implemented

F. Status of implementation of recommendations of the Board of Auditors contained in its management letter on the strategic heritage plan for the year ended 31 December 2021⁶

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the strategic heritage plan team continue to look for opportunities that positively impact the strategic heritage plan project objectives and to have fallback plans ready if risks materialize that challenge the completion of the project within the budget.	Under implementation
The Board recommends that the strategic heritage plan team review why some of the doors of H building have been incorrectly implemented with regard to accessibility to understand and apply lessons learned.	Under implementation
The Board recommends that the strategic heritage plan team, in liaison with the Swiss consultancy agency, realize a disability-friendly construction under all staircase surfaces.	Under implementation
The Board recommends that the strategic heritage plan team eliminate the described physical and technical barriers faced by persons with disabilities as soon as possible.	Under implementation
The Board recommends that the United Nations Office at Geneva consider whether the upcoming building E works contract should stipulate a right of the employer to instruct and confirm variations that are not subject to a prior agreement with the contractor on the cost and time impacts in order to improve the timely delivery of the works.	Under implementation
The Board recommends that the United Nations Office at Geneva examine whether and to what extent delay damages may be asserted due to the delays in the substantial completion of sections 3.A and 3.B of building H where they are attributable to the contractor.	Under implementation
The Board recommends that the responsible service unit of the United Nations Office at Geneva work closely with the strategic heritage plan team and continue to work to assess if the implementation of the strategic heritage plan will effectively meet Member States' expectations for a reduction in maintenance costs borne by the regular budget for the United Nations Secretariat operations at Geneva.	Under implementation

⁶ A/77/94.

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the United Nations Office at Geneva report to the General Assembly on maintenance and operating cost trends for the Palais des Nations.	Under implementation
The Board recommends that the United Nations Office at Geneva decide on whether to perform reactive or preventive maintenance, or a combination of both, for equipment and technical infrastructure based on a criticality and cost-benefit analysis.	Under implementation
The Board recommends that the strategic heritage plan team assess if there is any potential to recoup any additional costs that may have arisen as a result of inaccuracies or incompleteness in technical design.	Under implementation
The Board recommends that the United Nations Office at Geneva monitor whether the internal human resources and communication processes for the further procurement and the pre-construction, early works and renovation contract processes for the office tower dismantling and the renovation works on building E are sufficient and timely enough to avoid further delays.	Under implementation
The Board recommends that the United Nations Office at Geneva preserve the heritage, prevent irreversible deterioration or damage, and restore and maintain the capital value of the Palais des Nations and its contents as far as possible within the budgetary constraints both during and after the ongoing renovation process of the Palais des Nations.	Under implementation
The Board recommends that the United Nations Office at Geneva continue storing heritage furniture to the extent feasible considering economical, budgetary and operational constraints in appropriate areas to avoid that the furniture with a high heritage value loses value as a result of unsuitable or inappropriate storage.	Under implementation
The Board recommends that the United Nations Office at Geneva ensure the further revision and implementation of all relevant details into the works of art database, wherever possible.	Under implementation
The Board recommends that the United Nations Office at Geneva integrate more thoroughly the principles of whole life cycle costing of the materials and products used in its future projects and set more ambitious targets for sustainability for its future capital projects.	Under implementation
The Board recommends that the strategic heritage plan team ensure that the punch list works, tests and defects are carried out as expeditiously as possible.	Under implementation
The Board recommends that the strategic heritage plan team closely supervise the operation and maintenance of the contractor with respect to the systems not yet finally accepted as listed on the punch list until these are fully approved by the strategic heritage plan team and can then be operated and maintained by the United Nations Office at Geneva.	Under implementation
The Board recommends that the strategic heritage plan team take the necessary steps to find an agreement with the contractor for building H so that the solar panels can produce electricity as soon as possible.	

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the strategic heritage plan team analyse the reasons for and the circumstances of how these mistakes could have happened with regards to accessibility in Building H.	Under implementation
The Board also recommends that the strategic heritage plan team install a clear set of instructions and enhance the monitoring of its inclusion strategy.	Under implementation
The Board further recommends that the strategic heritage plan team examine the contractor's invoices to see if the contractor was overpaid.	Under implementation
The Board recommends that the Construction Operations Building Information Exchange (COBie) data import tests to the Computer-Aided Facility Management (CAFM) systems be started at short notice. This should be done in a very high level of collaboration between the strategic heritage plan team, the contractor and the United Nations Office at Geneva services in charge of operation and maintenance.	Under implementation
The Board recommends that the strategic heritage plan team improve its oversight of the work of the design services firm and its quality control procedures to ensure that future technical designs are clearer and more accurate.	Under implementation
The Board recommends that the strategic heritage plan team allocate all costs for the abatement of asbestos to assets under construction and liaise with the United Nations Office at Geneva on the accounting treatment to transfer these costs to the final asset.	Under implementation

Annex IV

Strategic heritage plan project status charts

1. In response to the recommendation of the Board of Auditors that the United Nations Office at Geneva incorporate the earned value project status charts in the annual progress report to the General Assembly, the project management charts are included in the three figures below.

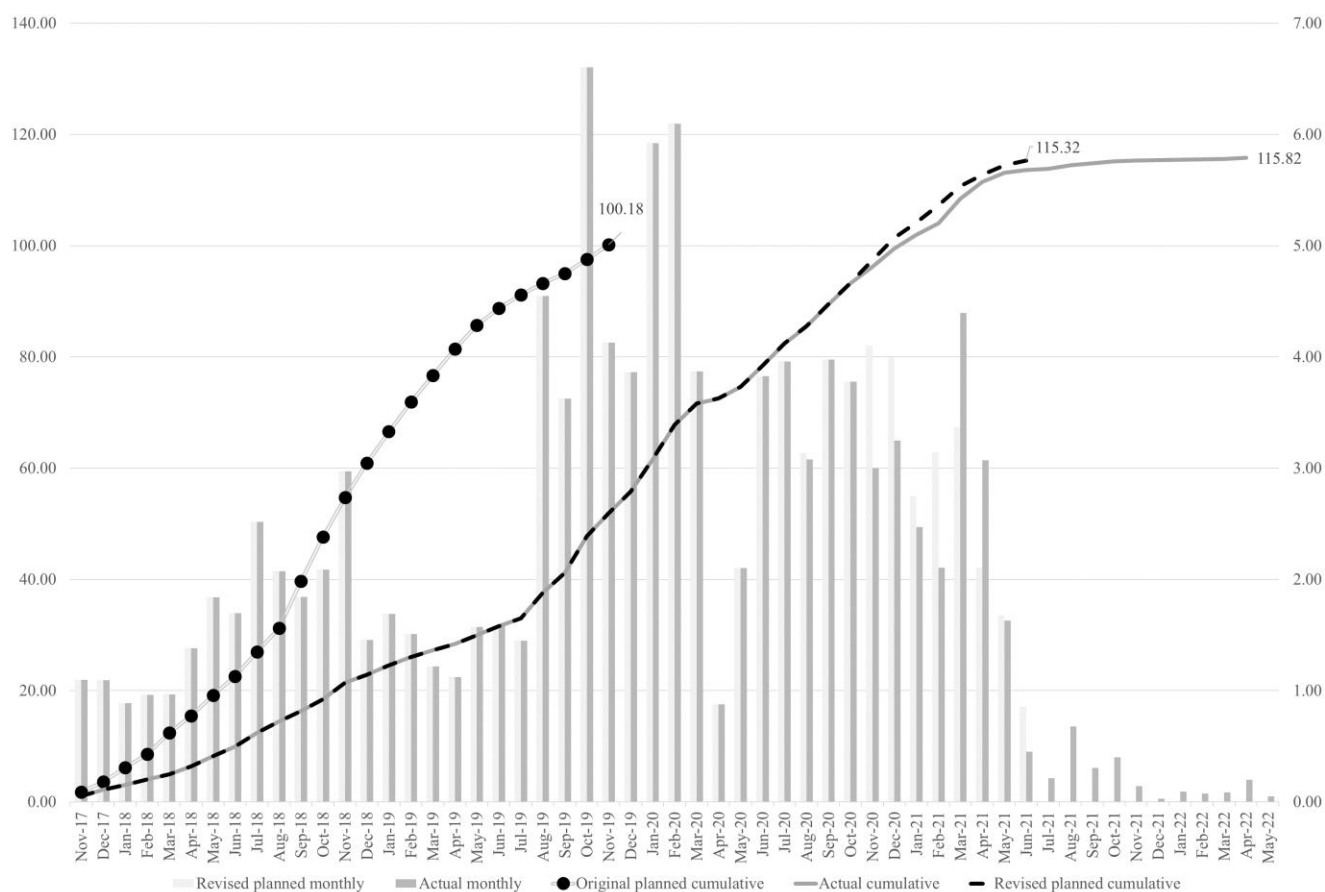
2. Earned value is a simple way to measure and monitor the level of work completed on a project against the project plan. It is a quick way to graphically represent if the project is behind schedule and/or over budget by comparing both the planned monthly expenditures against the actual monthly expenditures, as depicted by the vertical bar chart elements, and the cumulative planned spend against the actual cumulative spend, as depicted by the trend lines.

3. Figure A.IV.I shows the earned value status chart for the construction contract of the new building, building H. As seen in the chart, it depicts the original contracted and planned cumulative spend, up to November 2019, at a value of SwF 100,180,000. In practice, the revised planned cumulative expenditure has significantly deviated from this, as the work has taken considerably longer to complete and the value of the work has also increased through variations to SwF 115,820,000.

Figure A.IV.I

Earned value status chart – new permanent building H construction

(Millions of Swiss francs)

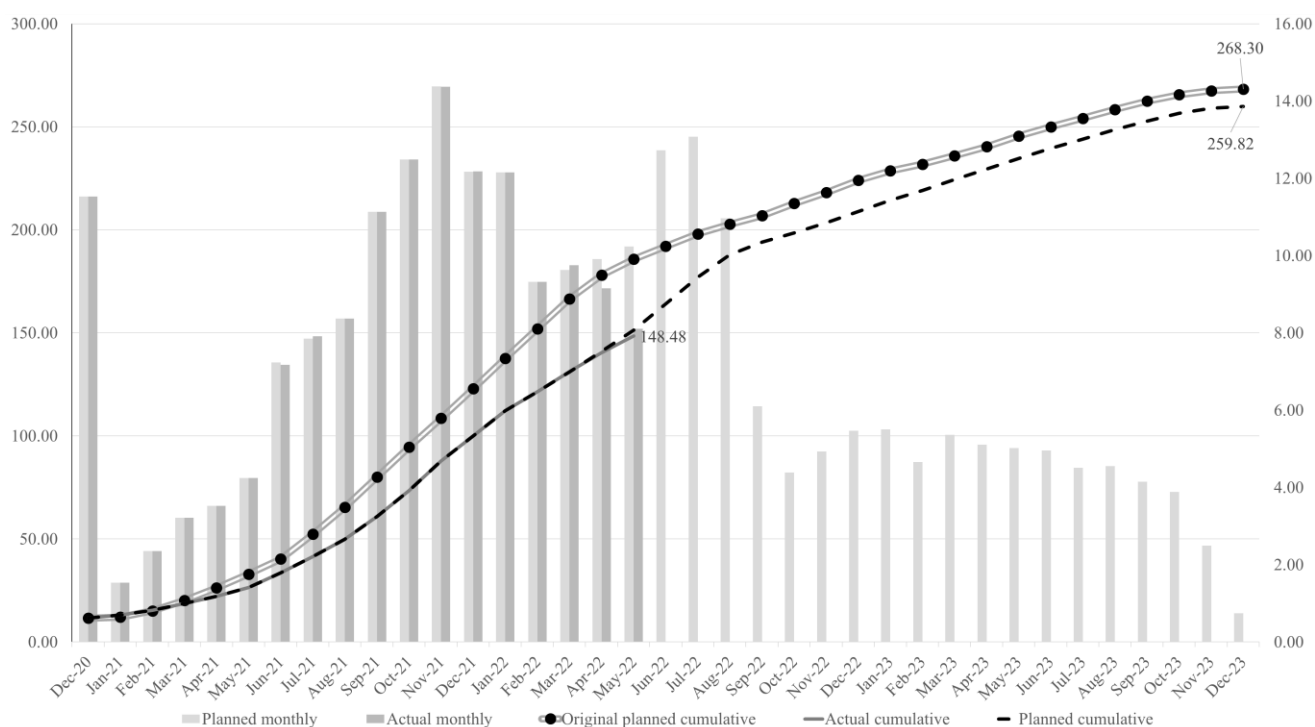


4. Figure A.IV.II shows the earned value status chart for the construction contract of the historic building renovation. As seen in the chart, it depicts the contracted guaranteed maximum price amount as the planned cumulative spend, up to December 2023, at a value of SwF 268,300,000. To date, the actual cumulative spend is slightly behind the planned cumulative spend reflecting some delays to the programme related to issues with the structure of building D and delays related to the renovation of conference rooms in building AC. Neither of those sections of work are currently on the critical path of the overall strategic heritage plan project programme.

Figure A.IV.II

Earned value status chart – Palais des Nations historic building renovation

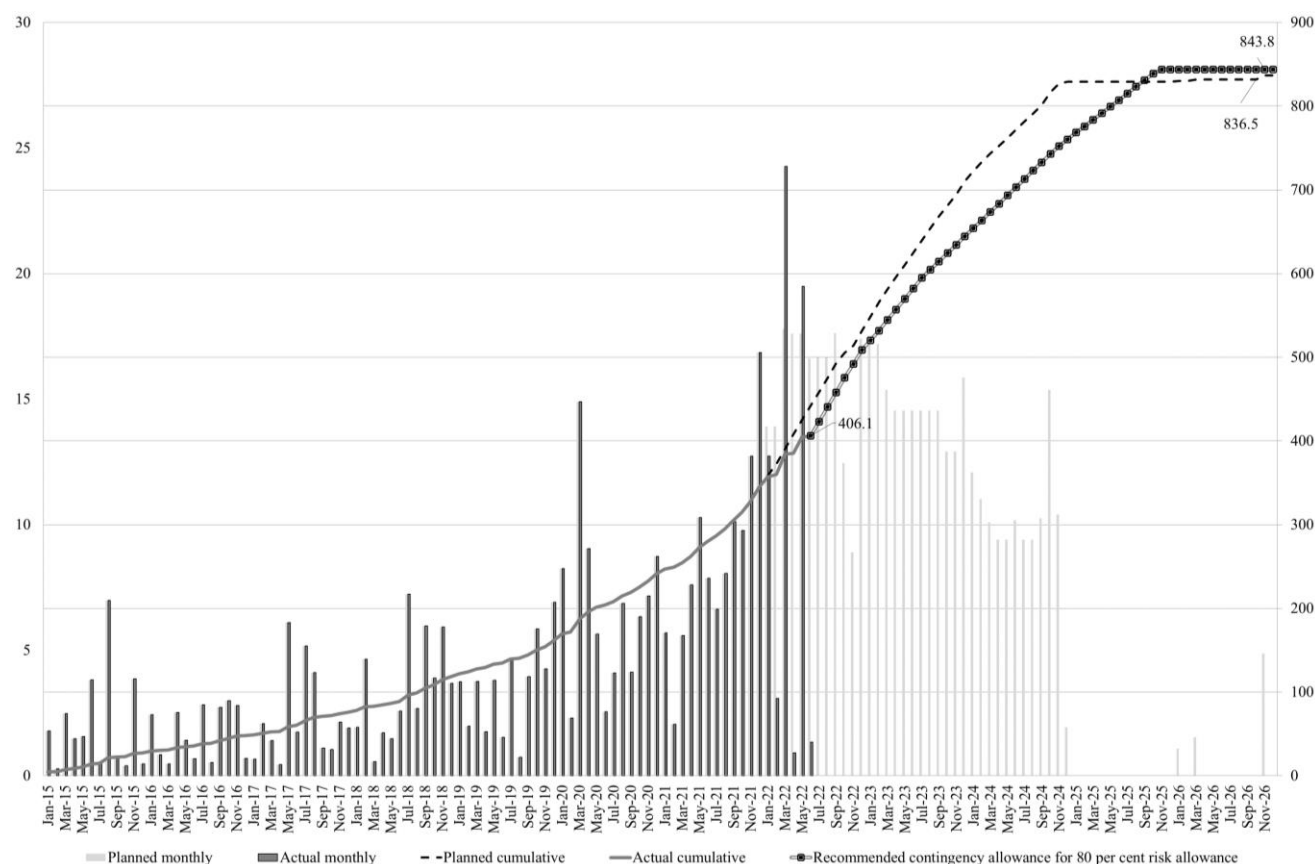
(Millions of Swiss francs)



5. Figure A.IV.III shows the earned value status chart for the entire strategic heritage plan project inclusive of the construction contracts for the new building, building H, and the historic building renovation contract depicted in figures A.IV.I and A.IV.II, together with the planned expenditure for the renovation of Building E and all the other elements of the overall strategic heritage plan project. The chart depicts the planned cumulative spend of the approved project budget of SwF 836.5 million, as well as the current risk management firm's P80 forecast cost (depicted as SwF 843.8 million) and the actual cumulative spend achieved to date of SwF 406.1 million.

Figure A.IV.III
Earned value status chart – overall strategic heritage plan project

(Millions of Swiss francs)



6. Please note that the above charts and the amounts depicted do not directly reconcile with the financial figures provided elsewhere in the present annual progress report. This is because the earned value refers to the direct contracted construction spend and the value of the contracted work with the two main contractors, which is closer (if not almost equal) to the disbursement value as at the end of the monthly reporting date of July 2022, whereas the other tables in the report are based on commitments and therefore exhibit a higher expenditure value to date.

Annex V

Project management positions: incumbency from project approval

<i>Positions</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023 planned</i>
Project Director (D-2)	Encumbered	Encumbered up to June	Encumbered since April	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Chief, Programme Management Support (D-1)	Encumbered since July	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Chief, Design and Construction (D-1)	Encumbered since September	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Senior Project Manager (P-5)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Senior Administrative Officer (P-5)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered up to October	Encumbered since November	Encumbered	Encumbered
Project Officer (P-4)	Encumbered since June	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Project Manager (Engineering) (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Project Manager (Architect) (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Project Manager (Architect) (P-4) ^a	–	–	–	–	–	–	–	Encumbered since March	Encumbered
Legal and Contracts Management Officer (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Budget and Cost Management Officer (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Mechanical and Engineering Coordinator (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	–	–	–	–	–
Contracts Management Officer (P-3)	–	–	–	–	Encumbered since May 2019	Encumbered	Encumbered	Encumbered	Encumbered
Associate Expert (Finance and Administration) (JPO) (P-2) ^b	–	–	Encumbered since September	Encumbered	Encumbered	Encumbered up to November	–	–	–
Programme Assistant (GSOL)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Programme Assistant (GSOL)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered

<i>Positions</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023 planned</i>
Programme/Communications Assistant (GSOL)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Operational experts team									
Senior Procurement Officer (P-5) located at United Nations Headquarters ^c	–	–	–	Encumbered	Encumbered	–	–	–	–
Procurement Officer (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Procurement Officer (P-4) ^d	–	–	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Operational Expert ICT (P4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Operational Expert Architect (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Operational Expert Engineer (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Operational Expert Security (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered

^a Temporary additional position funded within the maximum overall cost approved for the project as approved in resolution [76/246](#).

^b Position sponsored by Germany under JPO programme for 2.5 years and remaining period funded within the maximum overall cost approved for the project as reported in [A/72/521](#), para. 119, [A/73/395](#), para. 114, [A/74/452](#), para. 102 and [A/75/355](#), para. 85.

^c Temporary additional position funded within the maximum overall cost approved for the project as approved in resolution [72/262](#).

^d Temporary additional position funded within the maximum overall cost approved for the project as approved in resolution [71/272](#).