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Proposed programme budget for 2023

Addressing the deteriorating conditions and limited capacity of the conference services facilities at the United Nations Office at Nairobi

Sixteenth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2023

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the advance version of the report of the Secretary-General on addressing the deteriorating conditions and limited capacity of the conference services facilities at the United Nations Office at Nairobi ([A/77/367](#) and Corr.1). During its consideration of the report, the Committee met representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses dated 27 October 2022.

2. The United Nations Office at Nairobi conference services facilities project is one of the major construction projects identified in the report of the Secretary-General on the strategic capital review.¹ In his report of 2 October 2019 ([A/74/471](#)), the Secretary-General submitted his initial proposal pursuant to paragraph 29 of General Assembly resolution [73/270](#) on the pattern of conferences, in which the Assembly requested the Secretary-General to provide detailed information regarding the possible renovation work aimed at addressing the deteriorating conditions and the limited capacity of the conference services facility at the Office. The most recent report of the Secretary-General is submitted pursuant to Assembly resolution [76/246](#) (sect. IV) and provides an update on the additional work undertaken from 1 January to 31 August 2022, indicating that, as mandated, the Secretariat refined the options for implementing the project. The two options, option A and option B, as presented in the report of the Secretary-General, are broadly similar to those presented in the previous report and

¹ The Advisory Committee provided related observations and recommendations in its most recent report on the strategic capital review ([A/72/7/Add.9](#)). The Committee addressed a number of specific matters regarding the United Nations Office at Nairobi conference services facilities project in three previous reports ([A/76/7/Add.28](#), [A/75/7/Add.37](#) and [A/74/7/Add.22](#)).



are further described in paragraphs 7 to 15 below. The Secretary-General maintains that refined option B is recommended (A/77/367, summary and para. 4).

II. Status of the conference services facilities project at the United Nations Office at Nairobi

Collaboration with the host country and other Member States, and voluntary contributions

3. As indicated in paragraphs 47 to 52 and 110 and 111 of the report of the Secretary-General, it is anticipated that, in the context of the refined design features, as also described below, several buildings could be opportunities for donations or in-kind contributions by Member States or public or private donors, including: (a) the visitors' entry pavilion and visitors' centre; (b) the delegates' dining building; (c) the media centre building; and (d) multifunctional pavilions. On the experience with the capital master plan in New York and the strategic heritage plan in Geneva, the conference rooms, specifically the room interiors, are considered likely to attract donation opportunities. It is also indicated that the project team intends to produce a compendium of potential donor opportunities once the design phase begins and details of the design and related opportunities become available.

4. Coordination and outreach between the United Nations Office at Nairobi and the host country is ongoing, including on matters related to infrastructure and host country services in support of the project. In particular, in July 2022 the Nairobi expressway was inaugurated, which connects Jomo Kenyatta International Airport and the area neighbouring the Gigiri compound and enables vehicular travel between the Office and the airport in 20 minutes, compared with several hours previously; also in July 2022, the Government of Kenya established a multi-agency facilitation office as a one-stop shop for government services to the United Nations and its staff at the Gigiri compound; and in September 2022, the host country announced its intention to widen and improve United Nations Avenue and to turn it into a dual carriageway.

5. Upon enquiry, the Advisory Committee was informed that, on the basis of lessons learned from other capital projects, including the capital master plan in New York and the strategic heritage project in Geneva, firm commitments for voluntary contributions from Member States and other public and private donors would be expected, at the earliest, after the design phase was well advanced and detailed information, for example on design requirements, became available for a specific room or building. Therefore, any estimates regarding voluntary contributions would be available in the first half of 2024. The Committee was also informed that the United Nations Office at Nairobi would continue to engage Member States and other potential donors through bilateral meetings and other opportunities to solicit voluntary contributions.

6. The Advisory Committee expresses its gratitude to the host country for its continued support to the United Nations Office at Nairobi and trusts that the Secretary General will continue to engage with the host country for support for the project, including on the implementation of infrastructure improvements and the establishment of the multi-agency facilitation office. The Committee notes the outreach and overall efforts made to date by the Office regarding voluntary contributions. The Committee trusts that, once the design phase is under way and further details become available, the Secretary-General will continue to engage with all the Member States, as well as with public and private donors, to seek voluntary contributions, including in-kind contributions, and other forms of support with a view to gaining efficiencies and offsetting the

overall cost of the project. The Committee looks forward to updates thereon in future progress reports.

Proposed options for the conference services facilities project at the United Nations Office at Nairobi

Refined master plan

7. Detailed information on the refined master plan is provided in paragraphs 57 to 63 of the report of the Secretary-General. The Advisory Committee recalls that the most recent major investment in the conference facilities of the United Nations Office at Nairobi was made in the mid-1980s and that a capital construction project was developed, on the basis of an appraisal of existing conditions, to meet current conferencing needs and address the foreseeable conferencing requirements over the next 25 to 30 years ([A/76/7/Add.28](#), paras. 6–8). In his report, the Secretary-General indicates that, in collaboration with the blocks A to J project team, in order to ensure that the project scope is fully and seamlessly integrated into the overall masterplan, the master planning conceptual elements, which were set out in the previous report, have been refined, as summarized as follows:

(a) Environment and sustainability: the previous plan included extensive new construction to the north of the main conference facility under option A and a further four large multipurpose halls to the west under option B, and the environmental footprint of the present proposal for both options has been reduced significantly. The environmental features of the refined master plan include central garden courtyards, northern gardens, western multipurpose areas, buffer space to staff offices east of the conference facility and arrival gardens (south and west). Further details on the project's sustainability features are provided in paragraph 25 (a) to (h) of the report of the Secretary-General;

(b) Site conditions: an initial survey of topography levels was performed. The proposal now orients public access points and service areas optimally in relation to existing service areas within the United Nations Office at Nairobi compound to ensure overall harmony with the existing site context;

(c) Security: vehicular and pedestrian access points along the western perimeter of the compound have been reviewed and refined. The refined proposal is intended to separate staff, VIPs, delegates, visitors and service entry and exit points, and to establish a safe standoff zone adjacent to United Nations Avenue;

(d) Public and private separation: the proposal is designed to support activities on the compound, both during major conferences, when surge capacity is required, and during normal conference periods.

8. Upon enquiry, the Advisory Committee was informed that it would not be possible to undertake any construction, or partial construction, on the basis solely of the master plan. A design phase, comprised of several subphases, namely, concept design, design development and construction documents, must be undertaken in order for the Organization to issue bids for construction. The Committee was also informed that, subject to the approval by the General Assembly, the design phase would be scheduled to begin in 2023 and take approximately 21 months to complete (see also paras. 26–29 below, and [A/77/367](#), paras. 86–87 and figure IX and table 6).

9. **The Advisory Committee, acknowledging the deteriorating conditions and limited capacity of the conference services facilities at the United Nations Office at Nairobi, reiterates the need to implement the project in a timely manner in order to address the overall condition of the structure (see also [A/76/7/Add.28](#), para. 8). The Committee trusts that best practices and applicable lessons learned from other United Nations construction projects, including regarding accessibility,**

sustainability, net-zero objectives and the overall energy efficiency strategy, will be incorporated into the project design and that updates will be provided in future progress reports.

Refined option A and refined option B

10. Paragraphs 4 to 30 and 64 to 77 of the report of the Secretary-General provide background information, the business requirements and a description of the two proposed refined options for the conference services facilities project at the United Nations Office at Nairobi, as requested by the General Assembly in its resolution [76/246](#). The underlying requirements for the business case of the project have remained unchanged since the previous report. It is indicated that the United Nations Environment Assembly and the Assembly of the United Nations Human Settlements Programme (UN-Habitat) have experienced an increase in the number of in-person participants in meetings and that, therefore, the Secretary-General reiterates the proposal, under option B, to expand the capacity of the conference facilities from 2,270 to 9,000 persons, with a variety of flexible meeting room types, which can be reconfigured to accommodate the requirements of Member States in more formal settings, as well as the requirements for civil society participants in less formal and flexible settings (see also para. 15 below). The features of the two options are summarized in the paragraphs below.

Refined option A (capacity for 7,000 participants)

11. Details on refined option A are provided in paragraphs 66 to 71 and 73 of the report of the Secretary-General. To meet the immediate and short-term projected capacity requirements, for events with 7,000 in-person participants, with an estimated project area of approximately 66,300 m², option A would include roads, pathways, landscaping, a new main assembly building, new rooftop conference rooms, the renovation of existing conference rooms, new media centre and a new visitors' and delegates' entry building for conference events. Under option A, assuming an opening of the new facilities in 2027, an annual increase of 500 and 1,000 meetings from pre-coronavirus disease (COVID-19) pandemic utilization rates is projected, with a utilization rate by the year 2030 of 87 and 98 per cent, respectively. Option A includes 22 meeting rooms, of which 19 are conference and meeting rooms of various sizes. Given that option A does not include scope for the two new multifunctional pavilions, the building of a temporary conference facility as a swing space would be required, at a projected cost of \$5 million, on the site of the exhibition park on the western side of the compound.

Refined option B (capacity for 9,000 participants)

12. Details on refined option B are provided in paragraphs 72 to 77 of the report of the Secretary-General. To meet the long-term projected capacity requirements, as a scalable option expanded from option A, for events with 9,000 in-person participants, with an estimated project area of approximately 95,700 m², option B would encompass the scope of option A and additional multifunctional pavilions on the western landscaped area, as well as additional rooftop conference rooms. No swing space would be required because the additional permanent facility of the new assembly hall and the two new multifunctional pavilions would be used as swing space. Under option B, assuming an opening of the new facilities in 2027, an annual increase of 500 and 1,000 meetings is projected, with a utilization rate by the year 2030 of 65 and 73 per cent, respectively. Option B includes 33 meeting rooms, of which 30 are suitable for consultations. One of the main design features of option B would be that a secure separation of governmental and non-governmental participants could be established through the exhibition park area. While no swing space would

be required, the overall construction time would be slightly longer than for option A but would result in approximately the same overall schedule for either option.

Features applicable under both options

13. The following features would apply to both options:

(a) Parking: both options include additional surface parking for up to 500 cars, located adjacent to United Nations Avenue. The Advisory Committee was informed, upon enquiry, that, in order to discourage the use of individual cars as a mode of transportation to large conferences, the loading and drop-off area at the delegates' registration building and visitors' centre would include a generous drop-off lane for buses, taxis and private vehicles, as well as a taxi stand;

(b) Office space: both options include the addition of 50 new office spaces for use by event organizers. Temporary offices could be established within the multipurpose areas, if required;

(c) Indoor infrastructure: all spaces under both options will be fully weatherproofed. Owing to the ideal climatic conditions in Nairobi, only some major meeting rooms will have full indoor climatic controls through an air conditioning system, for example, the assembly hall, committee rooms and media rooms;

(d) Accessibility: universal accessibility is considered a core design principle of the United Nations Office at Nairobi project, which will adhere to the related international standards and best practice principles. The design approach would not be limited to only following code compliance but would also adopt a universal access design approach to deliver a physical environment that promotes inclusion and meets the needs of all persons using the facility, regardless of their abilities.

Unit costs

14. Upon enquiry, the Advisory Committee was informed that the unit costs for the initial capital project, as expressed in dollars per square metre for the built area (i.e., new construction and renovation) was \$6,028 per square metre for option B and \$6,329 per square metre for option A, or a difference of \$301 per square metre (approximately 5.0 per cent), which, in the view of the Secretary-General, would make option B the more cost-effective option.

Event capacity

15. Upon enquiry, the Advisory Committee was provided with the detailed seating capacity of the United Nations Office at Nairobi. Option A would have 7,026 seats (4,568 fixed and 2,458 flexible seats) and option B would have 9,026 seats (6,568 fixed and 2,458 flexible seats). With regard to the estimated conference capacity requirements and utilization of the conference facilities in Nairobi, the Committee was informed, upon enquiry, that the available capacity under option A would be sufficient to host the United Nations Environment Assembly and UN-Habitat Assembly without having to resort to the use of temporary meeting spaces. The Committee was also informed that very large conferences, such as the Conference of the Parties to the United Nations Framework Convention on Climate Change or the Conference of the Parties to the Convention of Biodiversity meetings could most likely not be accommodated under option A. The Committee was informed, however, that only one entity, the Convention on Biological Diversity, had indicated an interest in holding meetings of up to 8,000 participants.

Approach to addressing a possible postponement of a final decision by the General Assembly

16. Upon enquiry, the Advisory Committee was informed that, should the General Assembly not arrive at a final decision regarding the scope of the project, as an alternative approach only the Assembly could authorize the Secretary-General to commence the design for option B without prejudice to any future decisions regarding the construction phase of the project. The Committee was also informed that designing for option B would encompass all option A requirements, with economies of scale in constructing the larger scope of option B at the same time, as opposed to constructing only the scope of option A initially and constructing the remaining scope contained in option B at a later date. Furthermore, a design for option B would enable the Organization to build option A alone, option B immediately or option B elements later. In addition, this would allow the Organization to explore donor financing for option A and option B elements simultaneously once details of the design became available. The Committee was further informed that, at this early stage in the project planning process, there would be no negative cost impact or a cost increase, to the maximum overall cost of the project, should a decision on scope be deferred, provided that the Secretariat would be authorized to begin design of the full scope of option B in 2023. The Committee was informed that, for the aforementioned reasons, the Secretary-General was seeking the authorization to proceed with the design works for option B in 2023.

17. The Advisory Committee notes that, according to the Secretary-General, while option A foresees a capacity of 7,000 participants and option B a capacity of 9,000 participants, only one entity, the Convention on Biological Diversity, has informed United Nations Office at Nairobi of a conference with a possible in-person attendance of 8,000 participants (see para. 15 above), which may be held at various other global locations.² **The Advisory Committee trusts that the Secretary-General will provide more clarity to the General Assembly, both at the time of its consideration of the present report and in the next progress reports, on the concrete numbers of in-person participants, as well as the duration of conferences, by those entities that have committed themselves to utilizing the United Nations Office at Nairobi conference facilities.**

18. **The Advisory Committee considers that a decision on whether to implement option A or option B is a policy matter for the consideration of the General Assembly. However, the Committee sees merit for the Assembly to authorize the Secretary-General to commence the design for option B, which will allow for building option A alone, option B immediately after the completion of the design phase, or option B elements later. The Committee acknowledges that the commencement of the design phase will allow for voluntary contributions and other forms of support to be sought, which may contribute to offsetting the overall cost of the project (see also paras. 6 above and 32 and 46 (b) below).**

Project governance

19. Information on project governance and management is provided in paragraphs 31 to 35 of the report of the Secretary-General. The project owner is the Director-General of the United Nations Office at Nairobi, who provides overall guidance and direction, supported by the project executive, namely, the Director of Administration, the Project Manager and the dedicated project management team. The co-Chairs of the Steering Committee approved the Committee's terms of reference and composition, with the first meeting to be held in October 2022. The terms of reference for the

² See www.cbd.int.

Advisory Board are pending adoption by the Board, with the first meeting to be held before the end of 2022. Coordination continues with the Global Asset Management Policy Service at Headquarters. **The Advisory Committee stresses the importance of close coordination between the United Nations Office at Nairobi and the Secretariat in New York, in particular the Global Asset Management Policy Service, to ensure proper oversight and governance in all aspects of the project and the incorporation of lessons learned from other major construction projects.**

Project staffing

20. Information on project staffing is provided in paragraphs 36 to 46 of the report of the Secretary-General. Pending a decision of the General Assembly on whether to proceed with option A or option B, the total staffing complement for the project is envisaged as shown in table 1.

Table 1

Proposed dedicated project management team for United Nations Office at Nairobi conference services facilities

<i>Position</i>	<i>Level</i>	<i>Option A</i>	<i>Option B</i>	<i>Eleven positions approved by the General Assembly in its resolution 76/246 (A/77/367, paras. 36–38 and table 3)</i>	<i>Nine positions proposed in the present report (A/77/367, paras. 39–44 and table 4)</i>	<i>Six positions required in 2025 and to be proposed at a later stage</i>
Front office						
1 Chief of Service/Project Manager	D-1	X	X	X		
2 Administrative Assistant	LL	X	X	X		
Design and construction						
3 Chief, Design and Construction Section	P-5	X	X	X		
4 Project Architect, core and shell	P-4		X		X	
5 Project Engineer, mechanical	P-4	X	X	X		
6 Project Architect, interiors and accessibility	P-3	X	X		X	
7 Project Engineer, energy and sustainability	P-3	X	X		X	
8 Project Architect, landscape and sustainability	NPO	X	X		X	
9 Project Engineer, audiovisual systems	NPO	X	X		X	
10 Administrative Assistant	LL	X	X	X		
Programme management						
11 Chief, Programme Management Section	P-5	X	X	X		
12 Contract Manager	P-4	X	X		X	
13 Budget Officer	P-2		X		X	
14 Clerk of Works, Architecture	NPO	X	X			X
15 Clerk of Works, mechanical, electrical and plumbing	NPO	X	X			X
16 Administrative Officer	NPO	X	X	X		
17 Administrative Assistant	LL	X	X	X		
Operational support						
18 Procurement Officer	P-4	X	X	X		
19 Conference Services Officer	P-4	X	X	X		
20 Facilities Management Officer	P-3	X	X		X	
21 Information Technology Officer	NPO	X	X	X ^a	X ^a	
22 Physical Security Officer	P-3		X		X	

Position		Level	Option A	Option B	Eleven positions approved by the General Assembly in its resolution 76/246 (A/77/367, paras. 36–38 and table 3)	Nine positions proposed in the present report (A/77/367, paras. 39–44 and table 4)	Six positions required in 2025 and to be proposed at a later stage
23	Security Officer	LL	X	X			X
24	Security Officer	LL	X	X			X
25	Security Officer	LL	X	X			X
26	Project Coordinator (United Nations Headquarters)	P-4	X	X			X
Total					11 approved positions proposed for continuation in 2023	9 proposed positions^b	6 positions required in 2025

Abbreviations: LL, Local level; NPO, National Professional Officer.

^a Proposed for conversion to P-4.

^b Excluding one position proposed for conversion.

21. Staffing for the United Nations Office at Nairobi conference facilities services project would comprise a total of 26 positions:

(a) Ten temporary positions approved for 2022 (see resolution 76/246) and proposed for continuation in 2023: one Chief of Service/Project Manager (D-1), one Chief, Design and Construction Section (P-5), one Chief, Programme Management Section (P-5), one Project Engineer (P-4), one Conference Services Officer (P-4), one Procurement Officer (P-4), one Administrative Officer (National Professional Officer) and three support staff (Local level), comprising the core dedicated project management team (A/77/367, para. 36 and table 3). It is planned for all positions to be encumbered in 2023;

(b) One temporary Information Technology Officer position approved for 2022 (see resolution 76/246) and proposed for conversion in 2023 from National Professional Officer to P-4;

(c) Nine new temporary positions proposed for 2023: one Contract Manager (P-4), one Project Architect, core and shell (P-4, in connection with option B only), one Project Architect, interiors and accessibility (P-3) one Facilities Management Officer (P-3), one Project Engineer, energy and sustainability (P-3), 1 Physical Security Officer (P-3, in connection with option B only), one Budget Officer (P-2, in connection with option B only), one Project Architect, landscape and sustainability (National Professional Officer) and one Project Engineer, audiovisual systems (National Professional Officer) for the project management team, the programme management team and for operational support in order to enable the team to begin the design phase in 2023 (ibid., para. 39 and table 4);

(d) Six temporary positions required in 2025, for either option, and to be proposed in 2024: one Project Coordinator (P-4), one Clerk of Works, Architecture (National Professional Officer), one Clerk of Works, mechanical, electrical and plumbing (National Professional Officer) and three Security Officers (Local level) (ibid., para. 45 and table 5).

22. Of the aforementioned nine temporary positions proposed for 2023, the following three positions are related to option B and would therefore be required only should the General Assembly decide to proceed with option B: one Project Architect, core and shell (P-4), one Physical Security Officer (P-3) and one Budget Officer (P-2).

Upon enquiry, the Advisory Committee was informed that, should the Assembly decide during its seventy-seventh session to authorize the design of option B beginning in 2023 but not decide on the approval of the scope of construction for the project, the Secretariat would presume that the three positions for option B would have a limited duration of two years. The Committee was also informed that, should the Assembly approve the project scope during its seventy-seventh session, the duration would be five years for the Project Architect, core and shell (P-4) position, and seven years for the Physical Security Officer (P-3) and the Budget Officer (P-2) positions.

23. With regard to the position of Physical Security Officer (P-3), the Secretary-General indicates that the previously proposed Security Officer (P-3) position was not approved by the General Assembly in its resolution 76/246. It is also indicated that the position is now repropose for 2023 in expectation that the design phase will commence, with a view to the provision of physical security across all aspects of the project design, including vehicular and pedestrian access control, coordination with host country authorities with respect to work planned along the United Nations compound boundaries, and the security requirement of managing conference facilities (ibid., para. 44). **The Advisory Committee is of the view that security services between the co-located blocks A to J and the conference services facilities projects should be coordinated and cost-shared in order to ensure synergies and a holistic approach to overall campus security matters. Therefore, the Committee recommends against the establishment of one Physical Security Officer (P-3) position at this time.**

Conversion

24. It is proposed that the aforementioned Information Technology Officer (National Professional Officer) position be converted to an Information Technology Officer (P-4) position, owing to the importance of client interface/stakeholder engagement, as well as the fact that audiovisual and communication technologies comprise a major portion of the conference facilities project scope. It is also indicated that the initial recruitment exercise has yielded no suitably qualified candidates and that, should the position remain vacant in 2023, this would present a significant risk to the project design phase (ibid., para. 38). The Advisory Committee recalls that the position was initially proposed as a P-3 position and that the General Assembly decided to approve the establishment of the position at the National Professional Officer level (resolution 76/245, sect. IV, para. 2, and A/76/7/Add.28, paras. 67–70).

25. Upon enquiry, the Advisory Committee was informed that the Information Technology Officer position had been unsuccessfully advertised at the National Professional Officer level in April 2022 and that none of the candidates met the requirements. It is therefore proposed to that the position be reclassified to the P-4 level, as an expert with international experience, in particular in modern conferencing technology, who would be best suited for the role. The Committee was also informed that the required background would include progressive experience in the planning, design, development, operation and maintenance of conference management and simultaneous interpretations systems, remote simultaneous interpretation, audio/video distribution and control, audio/video broadcasting and recording systems, web streaming, videoconferencing, networking, conference control room architecture and engineering, and a proven track record in managing and delivering highly complex conferencing projects in a multi-project environment. **Notwithstanding the fact that the first recruitment exercise was not successful, the Advisory Committee trusts that lessons should be learned and that further efforts made to ensure a successful recruitment process of similar cases, including on United Nations Office at Nairobi outreach to relevant national professional organizations.**

Implementation strategy and project schedule

26. Details on the implementation strategy and the envisaged project schedule are provided in paragraphs 78 to 87 of the report of the Secretary-General. It is indicated that both options would entail three construction phases: (a) early works: demolition of existing site infrastructure and construction of new infrastructure linked to the implementation strategy of the blocks A to J project; (b) new building: construction of new buildings on all portions of the site; and (c) renovation of existing buildings: complete (gut) renovation of all existing buildings within the project scope.

27. The Secretary-General indicates that the project team has initiated early procurement activities pertaining to the architectural and engineering design works, such as market research and the launching of an expression of interest that is scheduled to close before the end of 2022. These activities have been undertaken without prejudice to any future decisions to be taken by the General Assembly regarding the scope of the project. It is also indicated that, if approved during the main part of the seventy-seventh session, following the launch of the request for proposals for design works early in 2023, the works could begin in mid-2023. **The Advisory Committee trusts that an update on the status of all procurement activities will be provided in all future progress reports. The Committee emphasizes the importance of ensuring the integration of locally sourced and manufactured materials, as well as local labour and expertise, and trusts that updates thereon will be provided in all future progress reports.**

28. It is envisaged that construction would end in September 2029, followed by a closeout phase to end in September 2030. This timeline is based on the assumption that the General Assembly will approve a scope option during the main part of its seventy-seventh session or, at a minimum, authorize the Secretariat to proceed with the design works during 2023. The Secretary-General indicates that the Assembly may, optionally, consider authorizing the Secretariat to perform design works for option B and defer its decision on whether or when to perform the construction works for option B until a later date. The Secretary-General emphasizes that this should not take place later than the main part of the Assembly's seventy-ninth session, to be held in 2024, given that any decision after 2024 would delay the completion of the project significantly and result in additional costs. Upon enquiry, the Advisory Committee was informed that, should the Assembly defer its decision on the future design of the works included in option B, it would not be technically possible to perform design works for option A in 2023 and the high risk of additional costs to the Member States could not be mitigated, with other significant disruptions to United Nations Office at Nairobi operations to occur in the future. The Committee was also informed that this would apply to both the cost of the design work itself and to future construction works.

29. With regard to the cost implications for the project delay by nine months because the General Assembly did not authorize the commencement of the design phase in 2022 in its resolution 76/246, the Advisory Committee was informed, upon enquiry, that the delay had cost an additional \$1.5 million for option A and an additional \$1.6 million for option B. The Committee was also informed that the cost implications resulting from the delay pertained to the additional costs of the dedicated project team, the coordinator at Headquarters, and travel and security guards for the additional year.

30. **The Advisory Committee notes the impact of the project delay by nine months, without the authorization of the General Assembly, to commence the design phase in 2022 and that a decision after 2024 would delay the completion of the project significantly and result in additional costs. The Committee trusts**

that detailed information on the potential impact of the delays will be provided to the Assembly during the consideration of the present report.

Risk management

31. Information on project risk management is provided in paragraphs 53 to 55 of the report of the Secretary-General. The United Nations Office at Nairobi project team, in conjunction with the Global Asset Management Policy Service at United Nations Headquarters, intends to hire an independent risk management firm to support the project team in identifying and assessing risks before they occur and to provide independent risk reports. Once the design process begins, the Office project team will establish an integrated risk register and subsequent reports of the Secretary-General will include detailed information on the top project risks and the response plans of the team to mitigate those risks. Furthermore, once the maximum overall cost and implementation strategy of the project is approved by the General Assembly, future reports will also include the outcomes of qualitative and quantitative risk assessments, including Monte Carlo risk modelling and cost histograms. **The Advisory Committee looks forward to updates on the risk management of the project in future progress reports.**

Collaboration and cooperation with the co-located United Nations Office at Nairobi blocks A to J project

32. Upon enquiry, the Advisory Committee was informed that interaction and collaboration between the two United Nations Office at Nairobi project teams, for the office blocks A to J and the conference services facilities projects, as well as with the Office's Facilities Management and Transportation Section, was ongoing, with mutual participation in design presentation meetings and input to their projects. The Committee was also informed that it was not expected that economies of scale, or cost-sharing, between the two teams might be possible or beneficial to either project. **The Advisory Committee notes that, despite a certain degree of management coordination, there is no formal shared administrative or operational support between the conference facilities project and the blocks A to J project. The Committee notes that the conference facilities project is currently scheduled to begin in 2025 and that the planning and design phases of the project coincide with the construction and close-out phases of the blocks A to J project, which could allow for potential linkages and synergies between the projects, including with regard to the sharing of security services and administrative support services (see para. 23 above). The Committee trusts that the United Nations Office at Nairobi will provide detailed information in both projects' future progress reports on the potential mutual efficiencies to be realized from increased collaboration and coordination.**

III. Project expenditure and anticipated costs

33. Information on project expenditure and anticipated costs is provided in paragraphs 88 to 116 of the report of the Secretary-General. Annex II of the report of the Secretary-General contains the detailed project cost plans for option A and for option B, showing projected expenditure for each category per year, from 2022 until completion in 2030 (close-out phase). The estimated total costs for both options are as follows:

(a) Option A: \$228,554,900, reflecting a decrease of \$14,053,800 (5.8 per cent) compared with the previous estimate of \$242,608,700. Project overhead costs would amount to \$22,677,900, reflecting an increase of \$1,632,700 (7.8 per cent)

compared with the previous estimate of \$21,045,200. The Advisory Committee was informed, upon enquiry, that the total cost of the design phase (2023–2025) would amount to \$21,047,800. The estimated cost for the construction of temporary swing space for option A is \$5 million;

(b) Option B: \$265,659,200, reflecting a decrease of \$13,363,000 (4.8 per cent) compared with the previous estimate of \$279,022,200. Project overhead costs would amount to \$26,666,300, reflecting an increase of \$1,724,000 (6.9 per cent) compared with the previous estimate of \$24,942,300. The Advisory Committee was informed, upon enquiry, that the total cost of the design phase (2023–2025) would amount to \$24,930,300. No swing space would be required.

34. The Advisory Committee notes that the approval of the maximum overall cost of the project in the amount of \$228,554,900 for option A or in the amount of \$265,659,200 for option B at current rates is subject to the decision of the General Assembly (see para. 18 above).

Expenditure in 2022

35. Upon enquiry, the Advisory Committee was provided with the status of expenditure, as at 30 September 2022, as presented in table 2.

Table 2
Status of expenditure as at 30 September 2022

(Thousands of United States dollars)

	<i>Appropriation for 2022</i>	<i>Cumulative expenditure as at 30 September 2022</i>	<i>Projected expenditure from 1 October to 31 December 2022</i>	<i>Total projected expenditure</i>	<i>Projected unused balance at the end of 2022</i>
Section 29G, United Nations Office at Nairobi					
Project management	925.2	316.2	359.0	675.2	250.0
Subtotal, Section 29G	925.2	316.2	359.0	675.2	250.0
Section 33, Construction, alteration, improvement and major maintenance					
Professional services	914.6	158.0	75.7	233.7	680.9
Subtotal, Section 33	914.6	158.0	75.7	233.7	680.9
Total	1 839.8	474.2	434.7	908.9	930.9

36. As indicated in table 2, the projected unspent balance at the end of 2022 would amount to \$930,900. It is proposed that this balance be carried over to 2023, thereby reducing Member States' assessment by the same amount. The amount would be applied towards the proposed appropriation in 2023, subject to approval by the General Assembly of the establishment of a multi-year construction-in-progress account for the project (see below).

Resource requirements for 2023

37. The Secretary-General indicates that, on the basis of the assumption that the refined option B would be approved by the General Assembly, the resource requirements for 2023 would amount to \$7,183,500, comprising:

(a) An amount of \$2,613,300 under section 29G, United Nations Office at Nairobi, to cover the costs of 20 positions. The estimated amount considers a 50 per cent vacancy rate in line with standard budgetary practice for new positions. It also includes \$40,000 for travel of project management staff to other United Nations duty

stations (New York and Geneva) for lessons learned from recent capital projects, with an emphasis on the development of the terms of reference for the design consultancy firm. The projected requirements for travel are the same for both option A and option B;

(b) An amount of \$4,570,200 under section 33, Construction, alteration, improvement and major maintenance, to provide for the hiring of the design consultancy firm and the independent risk management firm, so that they may begin to perform the required services.

38. The Advisory Committee notes that the resource requirements for 2023 for refined option A are not included in the report of the Secretary-General and trusts that the information thereon will be provided to the General Assembly at the time of its consideration of the present report.

Contingencies for option A and option B

39. Information on contingencies, excluding escalation, from 2025 to 2029 under option A and option B is provided in paragraphs 102 to 105 of the report of the Secretary-General, as follows: (a) option A: an amount of \$19,134,800 (previously: \$23,601,900); and (b) option B: an amount of \$22,148,200 (previously: \$27,059,800). In line with General Assembly resolutions [71/272](#) and [72/262](#), any unspent contingency will be returned to the Member States at the end of the project. Upon enquiry, the Advisory Committee was informed that no contingency had been applied to the cost of the technologies related to the net-zero energy project objectives. The Committee was also informed that the aforementioned reduction in contingency costs was a factor in the revised implementation strategy and did not represent a change in the standard estimated rates of applied contingency, which remain at 10 per cent for new construction and 15 per cent for renovation, in line with the previous proposal. **The Advisory Committee looks forward to further information in future progress reports on contingency, if any, regarding the cost of the technologies related to the net-zero energy project objectives.**

Escalation for option A and option B

40. Information on escalation, from 2025 to 2029, under option A and option B is provided in paragraphs 106 to 107 of the report of the Secretary-General, as follows: (a) option A: an amount of \$35,398,500; and (b) option B: an amount of \$41,921,300. It is also indicated that the escalation provision does not cover exchange rate fluctuations, which may have an impact on the project. With regard to the potential impact of the COVID-19 pandemic and other world crises that have caused disruptions in the global supply market, for planning purposes it is assumed that, by the start of construction in 2025, the construction market in Kenya would have normalized in large part. The escalation rate is considered in line with construction industry best practices and lessons learned from other capital projects. The rate was increased by 0.5 per cent, to 6 per cent, to address further market uncertainty and risk, following the study conducted by the consulting quantity surveying firm, which recommended an estimated medium-range average rate increase to reflect future consumer price index, inflation, and material price increase risks.

41. Upon enquiry, the Advisory Committee was informed that, should the General Assembly decide on a project start with option A, a resulting delay in conducting option B additional works would add approximately \$15 million to \$20 million, assuming a hypothetical start date of 2035.

42. Upon enquiry, the Advisory Committee was provided with the escalation rates for other regional United Nations construction projects, as follows: (a) United Nations Office at Nairobi (blocks A to J): 7 per cent over five years, from 2019 to 2023; and (b) Economic Commission for Africa (Africa Hall): 2.5 per cent for 2018, 3.5 per cent

for 2019 and 2020 and 4 per cent for 2021. **The Advisory Committee notes that the United Nations Office at Nairobi blocks A to J project was assigned an escalation rate of 7 per cent, whereas the Office's conference services facilities project was assigned an escalation rate of 6 per cent, The Committee trusts that an explanation regarding the differing escalation rates for the two co-located projects will be provided to the General Assembly at the time of its consideration of the present report. The Committee looks forward to updates regarding the factors impacting the escalation rate in future progress reports.**

Multi-year construction-in-progress account

43. The Secretary-General proposes the establishment of a multi-year construction-in-progress account for the project and rolling over the unspent balance from 2022, projected at approximately \$930,900, into the multi-year construction-in-progress account ([A/77/367](#), para. 119). The Advisory Committee recalls that, in this type of account, the expenditure of major construction projects approved by the General Assembly as part of the programme budget is recorded. Funding does not expire at the end of a financial period, and upon the completion of the project expenditure is to be reported, with any unused amounts to be returned to Member States. Multi-year construction-in-progress accounts are also used with projects in Addis Ababa, Bangkok, Nairobi (office blocks A to J) and Santiago (see also [A/74/7/Add.15](#), para. 29, and [A/73/457](#), para. 27).

44. Upon enquiry, the Advisory Committee was informed that the General Assembly, in its resolution [76/246](#), did not approve the establishment of a multi-year construction-in-progress account for the project and that the funding was currently subject to the Financial Regulations and Rules of the United Nations, with any unused balance for 2022 to be returned to Member States, and an equivalent amount to be appropriated by Member States for 2023 at the seventy-seventh session of the Assembly. The Committee was also informed that the proposal of the Secretary-General was based on the precedent of resolution section XIII of [74/263](#), on the replacement of office blocks A to J at the United Nations Office at Nairobi, by which the Assembly endorsed the recommendation of the Committee to approve the establishment of a multi-year construction-in-progress account and to approve the rollover to 2020 of the unspent balance from 2019 ([A/74/7/Add.15](#), paras. 30 and 31 (b)).

45. **The Advisory Committee reiterates its recommendation that the General Assembly request the Secretary-General to establish a multi-year construction-in-progress account for the conference services facilities project at the United Nations Office at Nairobi.**

IV. Conclusion and recommendations

46. The recommendations of the Secretary-General on proposed action to be taken by the General Assembly are set out in paragraph 119 of his report. **Subject to its observations and recommendations above, the Advisory Committee recommends that the General Assembly:**

- (a) **Take note of the report of the Secretary-General;**
- (b) **Authorize the Secretary-General to commence the design work for option B;**
- (c) **Appropriate an amount of \$6,161,000 for the project in 2023, comprising \$2,271,700 under section 29 G, United Nations Office at Nairobi, and \$3,889,300 under section 33, Construction, alteration, improvement and major**

maintenance, of the proposed programme budget for 2023, which would represent a charge against the contingency fund;

(d) Roll over the unspent balance from 2022, projected at approximately \$930,900, into the multi-year construction-in-progress account.
