

Agenda item 134.
Proposed Programme budget: biennium 2012-2013:
special subjects: Construction: UNON, ECA, UNOG strategic heritage,
UNHQ long-term accommodation

Remarks by Warren Sach
Assistant Secretary-General for Central Support Services,
Department of Management
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Mr. Chairman, Distinguished delegates,

I have the pleasure to introduce the reports of the Secretary-General which summarize the progress made since last year on constructions at the United Nations in the following order:

- the successful completion of the construction of additional office facilities at United Nations Office at Nairobi (UNON) contained in A/66/336;
- the progress made since last year on the construction of additional office facilities at the Economic Commission for Africa at Addis Ababa (ECA) contained in A/66/351;
- the Strategic Heritage Plan of the United Nations Office at Geneva (UNOG) contained in A/66/279;
- and the Feasibility Study for the United Nations Headquarters Accommodation Needs from 2014-2034 in New York contained in A/66/349.

The reports before you today are the direct results of the many efforts made over this past year in meeting the recommendations of the General Assembly, as well as close collaboration between the Office of Central Support Services at Headquarters in New York, and the management teams in Nairobi, Addis Ababa, and Geneva; and in regard to the Feasibility Study, among Departments in New York.

With respect to the new office facility at the United Nations Office at Nairobi, the ACABQ in its report A/65/518, welcomed the progress made last year in the implementation of the UNON project since the previous report; and the General Assembly endorsed the views of the Committee in resolution 65/259.

I am pleased to report that the construction of the new office facility (NOF), which commenced on 4 May 2009, was substantially complete in December 2010 on schedule and on budget.

In addition, internal office partitioning began three months earlier than planned in September 2010, allowing for early occupation of the building in March 2011. The formal inauguration of the NOF took place on 31 March 2011, and was presided over by the Secretary-General and the President of Kenya. The main two tenants, UNEP and UN-HABITAT, were moved into the NOF between January and March.

Following these moves by UNEP and UN-HABITAT, the focus shifted to the redistribution of the vacated office space to other United Nations agencies, funds and programmes, which either had insufficient office space or were renting commercial office space outside of the complex. As of September 2011 these moves were completed.

Based on the redistribution of vacated space, all office space constraints have been addressed at the UNON Gigiri complex, and all agencies renting commercial office space outside the complex, which have elected to move in, have done so.

With regard to the new office facility at the Economic Commission for Africa at Addis Ababa, in report A/65/518, the ACABQ took note of the progress made last year in the implementation of the ECA project and the General Assembly endorsed the views of the Assembly in resolution 65/259.

The Assembly acknowledged the importance of avoiding delays in the completion of the construction project and requested that ECA continue to work closely with the host Government authorities, taking a proactive approach to ensure timely delivery of construction materials in order to avoid future delays. The General Assembly additionally requested that the Secretary-General expeditiously assess the Africa Hall conference facilities at ECA.

With regards to progress made in the construction, the ongoing close collaboration between ECA and the government of Ethiopia, combined with the accelerated work

programme the contractor put in place this year, has had a positive impact on overall progress. However, as an outcome of the limited availability of cement locally at the onset of the construction as noted in last year's report, and the resulting necessity to import cement, a 6 month delay has been realized. The construction completion date has been revised from February 2012 to August 2012, after which will take place the construction of interior office to meet the needs of each agency who will occupy the space.

As of today, the building construction is over 30% completed.

All auxiliary projects such as the landscaping, parking, IT, back up generators, and other site works that have been budgeted for but were not part of the original new office facility design, are now completing their initial design phase and are being coordinated in a master schedule to be implemented in coordination with the overall new office facility construction schedule. They have been prioritized to meet the functionality of the new facility and ensure its smooth operation upon completion.

With regards to the continued management of the construction process, the ECA project management team has been strengthened and receives Headquarters' support through "hands-on" missions to Addis Ababa. In addition, a Compound Advisory Committee, made up of the local Agencies, provides advice on project implementation procedures such as space allocation.

Mr. Chairman and Members of the Committee, I would be remiss if I were not to draw to your particular attention to paragraphs 28 to 31 regarding cost estimates. As you will note, we recognize that it will be particularly challenging to complete the project on budget. Due to errors in the initial cost estimations by the Construction Management Consultant, some \$734,000 out of a contingency provision of \$925,186 will be encumbered. Every effort will be made to control costs through value engineering to stay within the available budget, success in this is not guaranteed but we are fully focused on solving this issue.

With regards to the Africa Hall, the ECA, UNESCO and the African Union have commenced with the renovation project. The functionality of the Hall has been

evaluated in order to modernize the conference facilities, preserve the cultural and historical value of the premises, enhance its life safety and provide for disability access. The restoration project has been budgeted for in the current and future biennium and will be phased based on the available funding.

With regard to the Strategic Heritage Plan at the United Nations Office at Geneva, in report A/64/7/Add.11, the ACABQ recommended that any developments on the Strategic Heritage Plan be included in subsequent reports; and the General Assembly endorsed the recommendation in its resolution 64/243.

Following the preliminary study in 2009, the Strategic Heritage Plan team completed a conceptual engineering and architectural study in February of this year. The Office of Central Support Services worked closely with UNOG during this study, which included a mission to Headquarters in New York to incorporate recommended best-practices into the planning of the Strategic Heritage Plan based on the experience of the CMP project team.

At the outset of the study, the Strategic Heritage Plan team established key performance objectives for the project. These include the optimization of available interior space and conference facilities; compliance with prevailing health, safety and accessibility codes; updating the building exterior and electromechanical systems so as to reduce energy consumption; upgrading and expanding information and communications network, broadcast facilities and congress systems; preventing irreversible damage; and ensuring business and operational continuity.

The major findings of the conceptual study established that the Palais des Nations has reached a crucial stage in the life of the building as regards the safety and security of its users.

Three options for undertaking the restoration and renovation works were analysed: a five-year fast-track option, an eight year medium-term implementation, and a thirteen year long-term implementation option, taking into account the extent of temporary office and conference spaces, or 'swing' space required. Based on the study's findings, the eight year medium-term implementation option is recommended, as it

would result in the lowest cost, would be the least disruptive option, and would meet all the key performance objectives of the Organization in Geneva. Projected costs of the project are estimated in the range of approximately CHF 618 million (US\$ 591 million).

The next steps in the development of the Strategic Heritage Plan include recruitment of a dedicated project management team at the United Nations Office at Geneva, including one P-4 architect, one P-4 engineer, and one P-3 technical expert, at a cost of \$1,164,600 during the biennium 2012-13; and hiring of a programme management firm to overall project phasing plan, capital investment plan, and project schedule, at a cost of \$2.8 million during the biennium 2012-13.

It is my pleasure to report that the Government of Switzerland decided to contribute up to 50 million Swiss Francs, equivalent to \$55 million USD, to the renovation works of the Palais des Nations. The contribution, which is subject to approval by the Swiss Federal Chambers and is expected to be paid in 2012, is to be devoted to renovation measures that would result in energy savings for the Palais des Nations. The contribution is a key dynamic in the future success of the Strategic Heritage Plan and would result in an equivalent reduction in the total projected renovation costs.

With regard to the Feasibility Study for the United Nations Headquarters Accommodation Needs from 2014-2034 in New York; the General Assembly in its resolution 60/282, stressed the need for a long-term strategy for office accommodation at Headquarters and requested the Secretary-General to conduct a comprehensive study on the feasibility of the construction of a building on the North Lawn.

The study was to include a number of factors not originally included in the business analysis contained in the report of the Secretary-General (A/60/874), such as architectural, security, and host city issues. The funding for the study was included in the programme budget for the 2008-2009 biennium.

In response to the General Assembly's request, and upon approval of resources for the feasibility study, the Department of Management undertook a competitive solicitation

process. The study was awarded in February 2010 to Skidmore, Owings and Merrill, a leading international architectural consultancy firm.

The study has been overseen through a governance mechanism that involved the establishment of a Steering Committee dedicated to the Feasibility Study. The Steering Committee was established in May 2010 and represented the interests of the Organization as a whole. It was comprised of senior officials from across the Organization.

- the Executive Office of the Secretary-General (EOSG),
- the Department of Management (DM),
- the Department of Safety and Security (DSS),
- the Department of Economic and Social Affairs (DESA),
- the Department of Field Support (DFS),
- the Department of General Assembly affairs and Conference Management (DGACM),
- the Office of Information and Communication Technology (OICT),
- and the United Nations Development Programme (UNDP).

The main objective of the Steering Committee was to provide high-level guidance during the conduct of the Feasibility Study on the long-term accommodation requirements of United Nations Headquarters, New York and ensure that all key assumptions, findings, conclusions and recommendations are duly validated by senior management of the Organization.

The study proceeded to assess the United Nations long-term real estate needs over a twenty-year time frame beginning in 2014, in line with the anticipated completion of the re-occupancy of the Secretariat complex.

The potential long term strategies represented in the study focused on the construction of a new North Lawn building in comparison to buying an existing building off campus, leasing space off campus as well as constructing a new building off campus. The Secretary-General's report contains the results and key findings of the study, potential strategies, preliminary costing, and in conclusion, recommended actions.

I would like to close with an update on a recent development. Upon the completion of the feasibility study, the state of New York announced the passing of legislation granting the United Nations Development Corporation (UNDC) approval to construct a new office building on the park immediately south of 42nd Street and 1st Avenue. This building is referred to as UNDC5 with the proposed occupant being the United Nations.

A condition of New York State's approval is that UNDC would be obtaining agreement from the affected local community boards to build on the park by 10 October 2011. This agreement in the form of a Memorandum of Understanding was signed by the Mayor of New York City, the temporary President of the New York State Senate and the Speaker of the New York State Assembly on 5 October 2011.

While the United Nations was able to obtain a copy of the MOU through the internet, thus far, it has not become formally available to the United Nations Secretariat.

I understand that some press reports have indicated that the United Nations has agreed to proceed with this project. I wish to take this opportunity to emphasize for the records that while the DC-5 project is of potential interest to the UN, the Secretariat has not committed the Organization to proceed and the concerned parties are well aware of the need for the General Assembly to authorize any such commitments before they are made.

Further to the report before you, the Secretary-General seeks guidance from the General Assembly on any further reporting requirements of options to meet long term accommodation needs at New York Headquarters.

Mr. Chairman, distinguished delegates, I thank you for your attention.