

Check against delivery

**Construction of additional office facilities at the United Nations Office at Nairobi
and the Economic Commission for Africa in Addis Ababa**

**Statement by the Chairman of the Advisory Committee on Administrative and
Budgetary Questions to the Fifth Committee**

(ACABQ report A/67/484)

Mr. Chairman,

The Advisory Committee's report (A/67/484) provides its views and conclusions on the reports of the Secretary-General on construction projects at the Economic Commission for Africa in Addis Ababa (A/67/216) and the United Nations Office at Nairobi (A/67/217).

Regarding the construction in Addis Ababa, the Secretary-General indicates that the duration of the construction phase of the project has been extended by a further four months to 31 December 2012. As the construction phase is to be followed by a three-month fit-out period, the occupancy of the building has consequently been rescheduled to April 2013. The Committee has expressed concern about liquidity difficulties faced by the contractor, which constitute a risk to the project, and may also be reflective of weaknesses in the vetting and selection process of potential vendors. While noting the measures taken by the Secretary-General to address issues impacting project implementation, the Committee emphasizes that all issues should be addressed through proactive project management. The Committee expects that the Commission will carefully monitor progress towards completion of the project and should effectively coordinate the timely occupancy of the building, in close consultation with the incoming occupants.

The Advisory Committee notes that value engineering was undertaken to address concerns expressed by the General Assembly in its resolution 66/247 and to partially offset an estimated expenditure of \$734,000 drawn from the contingency provision. It is indicated that value engineering will continue for all remaining project activities. The Committee stresses that value engineering should be continually pursued as a best practice to maximize savings and cost-effective use of resources, rather than ex post facto reaction to project implementation problems.

Regarding indication that the budgeted contingency might be depleted by the completion date of the construction project, the Advisory Committee considers that contingency provisions serve to provide necessary safeguards for meeting unforeseen cost overruns during project implementation. The Committee therefore expects that, at all times, the Secretary-General should endeavor to implement construction projects from within approved project resources to obviate the need for draw down from the contingency which could possibly be returned to Member States, as appropriate.

Furthermore, the Advisory Committee is of the view that the implementation of flexible use of office space, or “hot-desking”, which allows staff to carry out their responsibilities and work at any workstation, merits serious consideration in the United Nations system. The Committee therefore looks forward to the issuance of the space allocation policy, which it expects will incorporate industry best practice. In the interim, the Committee recommends that the General Assembly request the Secretary-General to implement the flexible use of office space for ongoing and future construction projects, where feasible.

The Advisory Committee has encouraged the Secretary-General to continue to rigorously strive to contain costs in the construction of additional office facilities in Addis Ababa and to ensure that the project is completed within the approved budget and scope.

Mr. Chairman, regarding the Secretary-General’s report on construction of additional office facilities at UNON, the Advisory Committee notes that 11 United Nations entities that had not originally expressed interest have in fact now moved into the new office facility, in place of the 8 United Nations entities that decided not to. While noting that full occupancy has been achieved, the Committee nonetheless considers that the Secretary-General should, to the extent possible, obtain firm commitments from all United Nations offices, agencies, funds and programmes operating in the same location prior to commencement of major construction or renovation projects for common premises. The Committee further recommends that the General Assembly request the Secretary-General to ensure that opportunities for the colocation of United Nations entities are pursued at all duty stations, in compliance with resolution 44/211.

The Advisory Committee also requests the Secretary-General to share lessons learned from the construction project in UNON, particularly to ensure accuracy in assessment of budgetary requirements for on-going and future projects.

Taking into account the views and recommendations expressed in its report, the Advisory Committee recommends that the General Assembly take note of the reports of the Secretary-General on the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa and at the United Nations Office at Nairobi.

I thank you.