

**Statement of the Chairman
Advisory Committee on Administrative and Budgetary Questions (ACABQ)
17 November 2015**

Strategic heritage plan of the United Nations Office at Geneva

(ACABQ report: A/70/7/Add. 8; related Secretary-General's report: A/70/394)

Mr Chairman,

I am pleased to introduce the Advisory Committee's report on the Strategic heritage plan (SHP). The Committee notes that the Secretary-General provides updated information and proposals on significant aspects of the implementation of the SHP project, such as its governance framework, schedule of works, cost estimates and options for its financing.

The Committee also notes that the Secretary-General continues to refine his proposals, by aligning those with the provisions of General Assembly resolutions on SHP. Nonetheless, in view of the Advisory Committee, several of those proposals require further analysis and refinement by the Secretary-General. I will mention a few now.

Mr Chairman,

Starting with the scope of the SHP project, the Advisory Committee recommends that the General Assembly request the Secretary-General to ensure that any change that impacts the scope of the SHP project is presented for the consideration and decision of the Assembly.

In respect of the project governance, the Advisory Committee, after considering the revised framework proposed by the Secretary-General, supports the establishment of an Advisory Board. The Committee, however, recommends that the respective roles and responsibilities of the Steering Committee and the Advisory Board in the overall project governance framework should be delineated in more precise and clear terms.

On the project schedule, the Advisory Committee, drawing upon lessons from the implementation of the capital master plan project, stresses the need for the Steering Committee to ensure continuous monitoring and assurance of the project's progress within the established timeline.

Mr Chairman,

As requested by the General Assembly in its resolution 68/247 A, the Secretary-General provides the revised overall cost estimates for the SHP. He indicates that the amount of Swiss francs 836.5 million is estimated as a maximum overall cost for the project, which has also been adopted as a project objective.

After considering the overall project cost estimates, the Advisory Committee makes several observations and recommendations concerning the estimated project contingency, its management, reporting and use. In particular, the Committee recommends that the General Assembly request the Secretary-General to refine the estimation of project contingency by basing it on the identification of risks associated with the different phases of the project and to present the estimated contingency, and the base project cost, separately in his next progress report.

Subject to its recommendations on the project contingency and further review of annual budget performance and cost estimates in the context of the Secretary-General's progress reports, the Advisory Committee recommends approval of the proposed project cost as the maximum overall cost for the project.

Mr Chairman,

Coming now to the financing of the project, the Advisory Committee recalls the offer of support for the SHP made in the past by the host country. Subsequent to the authorization by the General Assembly in its resolutions 68/247 A and 69/262 to negotiate with the host country on loan arrangements, the Secretary-General presents the financing options for the SHP. One of the options includes the offer of a loan package from the Government of Switzerland in the amount of Swiss francs 400 million at zero interest rate. The loan covers both the construction and the renovation parts of the project. The Advisory Committee welcomes the recent loan offer made by the Government of Switzerland for the SHP and notes the preferential terms of the loan, and reiterates its appreciation for the continued support offered by the Government of Switzerland for the SHP.

On the proposed working capital reserve for SHP in an amount of \$20 million, the Advisory Committee is of the view that establishing such a reserve is not merited and recommends against its approval.

Finally Mr Chairman,

The Advisory Committee also notes the Secretary-General's proposals related to other mechanisms for funding the SHP. These include voluntary contributions from Member States and rental income from the existing and anticipated tenants at the Palais des Nations. The Advisory Committee reiterates its view that the General Assembly may wish to request the Secretary-General to propose ways of factoring future rental income into the overall scheme of financing of the SHP project in his next progress report.

Thank you, Mr Chairman.