

**Statement of the Chairman
Advisory Committee on Administrative and Budgetary Questions (ACABQ)
28 November 2016**

Strategic heritage plan of the United Nations Office at Geneva

(ACABQ report: A/71/622; related Secretary-General's report: A/71/403)

Madam Chairman,

I am pleased to introduce the Advisory Committee's report on the Strategic heritage plan (SHP).

The Advisory Committee notes that while the Secretary-General does not propose changes in the overall timeline of the approved project schedule, he proposes changes in the schedules for individual project phases. The Advisory Committee trusts that the Secretary-General will provide further information to the General Assembly in this respect, including on the potential impact of such changes on the project's financing schedule.

The Advisory Committee also notes that within the overall approved project budget amounting to 836.5 million Swiss francs, the Secretary-General proposes adjustments to individual items included in the project cost, which are not adequately explained. These include adjustments to costs for the construction of the new building, renovation of existing buildings, escalation, and project contingencies. The Committee trusts that the Secretary-General will provide further information to the General Assembly in this regard and will improve the presentation of such information in his future progress reports.

The Committee notes that the basis for estimating project contingency amounts has been evolving from the beginning of the planning and development stages of the project. The Committee is of the view, that, as the project moves forward, a consistent approach to estimating the project contingency amounts is required to ensure full accountability and transparency.

Madam Chairman,

I now refer to the financing of the project. The Advisory Committee notes that the loan in the amount of 400 million Swiss francs at a zero interest rate was approved by the host country this year in September for both the construction and renovations phases of the project. In this connection the Committee notes with concern that the cost estimate for the construction of new building has undergone an upward revision by an amount of 3.9 million Swiss francs, resulting in the loan amount not covering the full cost of construction of the new building.

The Committee stresses that the project governing mechanisms must make every effort to avoid slippage in project schedule, cost overruns and the requirement for possible additional funding. The Committee also reiterates the importance of assurance from the Board of Auditors in providing reasonable confidence to Member States that the resources allocated for the project's implementation are used in the best interest of the Organization.

The Advisory Committee, upon considering the Secretary-General's proposals related to the valorization at market price of land owned by the United Nations Office at Geneva, recommends against the establishment of a dedicated valorization team. Instead, the Committee recommends the use of expert consultancy services for this purpose.

Thank you, Mr Chairman.