

Seventy-second session main part: Agenda item 136

**Fifth Committee of the General Assembly
Thursday, 9 November 2017**

Report for the Proposal for the renovation of the North Building at the Economic Commission for Latin America and the Caribbean in Santiago (A/72/367)

**Remarks by Mr. Dmitri Dovgopoly, Officer-in-Charge,
Office of Central Support Services,
Department of Management**

Mr. Chairman, Distinguished Delegates,

I am pleased to introduce the Secretary-General's report on the proposed renovation of the North Building at the Economic Commission for Latin America and the Caribbean in Santiago, Chile (A/72/367).

Following the February 2010 earthquake measuring 8.8 on the Richter scale that struck Chile and greatly damaged the ECLAC's main building and other areas, a technical evaluation revealed the need to undertake seismic mitigation measures for the North Building, among others, to comply with the current minimum standards for local seismic codes.

In addition, several of the main components of the North building have either reached the end or are very close to the end of their useful lives. Overall, the current depreciated value of the buildings is less than 18% of the gross replacement cost. These conditions were first explained in the Secretary-General's report A/69/760 on the strategic capital review. While temporary mitigation measures and partial upgrades have been implemented in recent years in order to keep the building safe and operational, it is now time to address the issue in a comprehensive manner.

The purpose of the proposed North Building renovation project is primarily to address all current safety risks including, among others, the replacement of its non-seismic compliant ceiling system, all electrical wiring and infrastructure, upgrading its passive fire-resistance ratings and fire-suppression system and providing a means of evacuation that meets code. Additionally, the project would afford full use and accessibility for persons with disabilities,

while ensuring the well-being of staff, delegates and visitors. The project would make the building net-zero in energy terms and would deliver a marked reduction in operational, maintenance and energy costs and provide a more efficient functional workspace with appropriate indoor environmental quality; in other words: proper air, light and ventilation.

The proposed design for the renovated North Building would greatly reduce long-term operational and maintenance costs. This would be achieved by incorporating innovative, passive insulation features in the building's envelope and finishes, more efficient lighting and other sustainable design features.

The Executive Secretary of the Economic and Social Commission for Latin America and the Caribbean, acting as the project owner, is fully committed to the success of this project. As with other new construction and major maintenance projects undertaken by the Secretariat, the Office of Central Support Services in New York will provide the necessary oversight, technical guidance, coordination and advice for the project.

Two implementation strategies have been considered for this renovation project; a) through programmed multiple interventions over time, and b) through the execution of a single capital project.

The Secretary-General recommends strategy 'b', through a single capital project, as it would provide the most overall benefits. The project team also considered the pros and cons of on-site and off-site swing space.

Based on the cost-benefit analysis, the recommended approach is to perform a one-time capital renovation project using on site swing space with an estimated project cost of \$14.118 million, and a duration of six years (2018-23).

In the report before you, the General Assembly is being requested to approve the project scope, cost and implementation strategy; approve the establishment of the dedicated project team; appropriate an amount of USD 192,000 for the management and design in 2018; and approve the establishment of a multi-year construction-in-progress account for the project.

During the informal session scheduled for tomorrow morning, colleagues from New York

will be joined via videoconference by the Project Executive, Ms. Andrea Marques and her team at ECLAC in Santiago, who will be able to answer questions raised.

Thank you, Mr. Chairman and distinguished Delegates.



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Report on the Strategic Capital Review (A/72/393)

**Remarks by Mr. Dmitri Dovgopoly, Officer-in-Charge,
Office of Central Support Services,
Department of Management**

Mr. Chairman, Distinguished Delegates,

I am pleased to introduce the Secretary-General's report on the Strategic Capital Review (A/72/393). The report is the fourth in the last five years on the development of a 20-year projection of capital requirements across the global secretariat, referred to as the Strategic Capital Review. This report is intended to be a rolling programme used by the Secretariat in identifying capital requirements, and to alert Member States about anticipated project proposals going forward in future budget cycles.

The key objectives of the review have remained consistent in the previous reports; these are: to provide safe and healthy working environments for United Nations delegates, visitors and staff over the long-term, to ensure compliance with the Convention of the Rights of Persons with Disabilities; to maintain property value, to maximize space usage efficiency in existing spaces, to modernize building systems and move towards more energy efficient facilities; and to preserve heritage assets and minimize work disruption during capital improvement projects.

The purpose of the present report is to provide updated information on the ongoing development and refinement of the 20-year rolling capital programme, and on the status of detailed studies for several proposed projects. In particular, the report provides updated information on the four (4) cost-benefit comparisons that were assessed for the purpose of projecting capital requirements, namely: a) "run to fail"; b) replace at the end of anticipated useful life; c) extend the useful life through incremental recapitalisation; and d) business-focused maintenance, all of which are aligned to the industry best practices described by the Board of Auditors in their December 2014 report on 'Lessons from the United Nations Capital Master Plan.

Because of the added costs of swing space requirements, additional soft costs for dedicated project management teams, and additional remedial works required, the Secretariat estimates that the application of the recommended incremental recapitalisation approach could save the Organization between 34 and 54 per cent in total capital requirements over the next 50 years. This further analysis corroborates the findings of the Secretary General in his previous report.

The report includes an updated list of the ongoing and proposed near-term capital projects at Headquarters and Offices away from Headquarters. Through its resolution 69/262, the General Assembly has entrusted the Office of Central Support Services to provide technical guidance, advice and support for capital projects undertaken by the Secretariat. In response to recent resolutions of Assembly, OCSS is currently strengthening its oversight role by establishing a risk management framework and strategy that will allow assessing project risks independently from the assigned project teams. Additionally, the Office has fulfilled its mandate in providing services to offices away from headquarters during the pre-planning phase of construction and renovation projects, including with respect to the two new project proposals this year, one at the United Nations Office at Nairobi and the other at the Economic Commission for Latin America and the Caribbean (which is also being introduced this afternoon). The strategic capital review and projects emanating from the review continue to be coordinated and overseen by the Overseas Properties Management Unit under the overall leadership of the Office of Central Support Services.

The present report also includes information on other considerations, including accessibility for persons with disabilities, flexible workplace strategies, and sustainability initiatives aiming to reduce the impact of United Nations operations on the climate.

The report is intended to serve as a planning tool for the General Assembly to consider cross-cutting policy issues that affect capital planning across the Organization, and to begin to plan for future capital requirements well in advance. The report is not intended to serve as a mechanism for seeking approval for specific project proposals. Rather, in line with General Assembly resolution 69/274 and related resolutions, such proposals will be made either as part of the proposed programme budget (typically under Section 33) or as stand-alone proposals, and the General Assembly would be requested to consider individual proposals on their own merit.

The General Assembly is requested to take note of the report, and to request the Secretary-General to report in the main part of the seventy-fourth session of the General Assembly.

Thank you, Mr. Chairman and distinguished Delegates.

