

**Statement of the Chairman**

**Advisory Committee on Administrative and Budgetary Questions**

**18 October 2018**

**Seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific premises in Bangkok**

*(ACABQ report: A/73/425; related Secretary-General's report: A/73/327)*

**Progress on the replacement of office blocks A to J at the United Nations Office at Nairobi**

*(ACABQ report: A/73/426; related Secretary-General's report: A/73/344)*

Madam Chair,

I am pleased to introduce the Advisory Committee's report (A/73/425) on the seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific premises in Bangkok (ESCAP).

The report of the Secretary-General provides a progress report on the implementation of the project, which is in its design and tender phase. The report includes proposed modifications to the seismic mitigation retrofit design and to the swing space strategy. The modified swing space strategy would include a new construction of 1,200 square meters to enable all swing space to be provided on site. The Committee expects that more detailed

information on the proposed modifications, as well as the proposed future use of the swing space, will be provided to the General Assembly at the time of its consideration of the present report.

With respect to the risk management, the Advisory Committee notes the results of the Monte Carlo risk simulation and expects the Secretary-General to take all necessary measures to ensure the delivery of the project within the scope, budget and timeline approved by the General Assembly.

In conclusion, the Committee recommends to the Assembly, that subject to the recommendations that we make, we take note of the progress that has been made, in publication of the previous Secretary-General's report, we take note of the revised cost of the project, that we approve the creation of two temporary positions that are requested, and that \$4,484,500 be allocated to the project.

Madam Chair,

Now, I would like to introduce the Committee's report on the Progress on the replacement of office blocks A to J at the United Nations Office at Nairobi.

In terms of the Secretary-General's proposals, the Committee welcomes the refined project proposal in terms of scope, implementation strategy and future activities to be undertaken as well as the cost savings of 5.2 per cent of the overall budget.

As regards revised cost plans, the Committee is of the view that it would be a good practice for the Secretary-General to provide the comparative information and explanations relating to both the original cost plan and the revised cost plan in his report. The Advisory

Committee recommends that such comparative information be provided for all future construction project reports and that the Secretary-General include a visual representation of the sequencing of proposed work.

With regard to estimates for escalation and contingency, the Committee is of the view that they should continue to be refined as the project progresses and that risks relating to constructions costs, change orders, timelines of activities and procurement activities should be appropriately managed in order to minimize risks to project completion and cost overruns. Given the costs associated with the flexible workspace requirements, the Committee also recommends that the pilot project incorporate an updated cost-benefit analysis as well as approaches that address the identified challenges, best practices and implementation requirements of a flexible workplace environment.

In conclusion, the Committee also recommends that the Assembly approve the proposals on the scope and the overall maximum cost of the project of \$66,260,100 and the implementation strategy of replacing office blocks A-J, approve the creation of 6 positions that are being requested, and that the amount of \$6.595 million be approved for the 2018-2019 budget, and that a multiannual account for ongoing construction costs with regard to the project be approved.

Thank you, Madam Chair.