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### Proposed programme budget for 2024

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

### **Report of the Secretary-General**

#### *Summary*

The seventh progress report on the seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific (ESCAP) premises in Bangkok is submitted pursuant to section XI of resolution [77/263 A](#).

The present report provides an update on progress made on the project since the previous report of the Secretary-General ([A/77/330](#)) and an outline of the activities undertaken, including progress on construction, removal of hazardous materials, change management and business readiness in anticipation of staff moves to renovated spaces and the handover of the first phase of construction.

The construction phase of the project, which commenced in November 2021, progressed well until late 2022, when the general contractor reported interim delays. These delays, partly resulting from coronavirus disease (COVID-19) impacts and partly due to other unforeseen site conditions, were immediately responded to by ESCAP, the general contractor and other stakeholders to identify and put in place appropriate risk mitigation measures to avoid further slippage.

The project is currently forecast to be substantially completed in July 2024, seven months later than forecast in the previous report of the Secretary-General. The estimated overall maximum cost of the project is now \$41,260,400, \$1,241,300 above the overall approved budget of \$40,019,000.

The General Assembly is requested to take note of the report, approve the revised estimated overall maximum cost of the project of \$41,260,400 and appropriate an amount of \$1,241,300 for 2024.

\* [A/77/150](#).



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## I. Introduction

1. The present report is the seventh progress report on the seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific (ESCAP) premises in Bangkok, which was approved by the General Assembly in section IV of its resolution [71/272 A](#).

2. The project continues to be implemented in accordance with its approved objectives. The present report provides status updates and addresses the requests and decisions of the General Assembly in its resolution [77/263](#), including the following: an update on engagement with member States, support from the host Government and the status of voluntary contributions; project governance and accountability; procurement lessons learned and best practices; accessibility; energy efficiency gains; and cost and budget management, including risk management. The report also provides an update on progress made on the removal of hazardous materials to ensure occupational safety and health for future users of the renovated facilities.

3. The report provides a revised project schedule reflecting construction works slippage into July 2024 and a revised cost plan showing an estimated increase to the maximum overall approved project cost to cover the costs of delays and the increased cost of construction works based on the actual cost of the contracts awarded. The estimated project maximum overall cost is \$41,260,400, an increase of \$1,241,300 above the approved maximum overall cost of \$40,019,000.

4. The ESCAP project team continues to work with the Global Asset Management Policy Service and its independent risk management firm in assessing risks and implementing mitigation action.

## II. Project objectives and benefits

### A. Project objectives

5. The aim of the seismic mitigation project is to ensure the safety of staff, delegates and visitors at the Commission's premises. The key project objectives established at the inception of the project remain unchanged (see [A/77/330](#), paragraph 6).

### B. Project benefits

6. Throughout the project implementation, the team has worked to ensure that the project delivers benefits as indicated in paragraph 8 of the fifth progress report ([A/76/313](#)), which remain unchanged.

## III. Project governance, management and accountability

### A. Project governance

7. The Executive Secretary of ESCAP, in her role as project owner, has designated the Director of Administration as project executive. The day-to-day management of the project is performed by the project manager, supported by the project team.

**Stakeholders committee**

8. During the reporting period, the stakeholders committee met three times (July and December 2022 and May 2023). The project also continues to engage its stakeholders through several other stakeholder networks, such as the ESCAP Environmental Management System Steering Group, the Accessibility Working Group, the ESCAP Occupational Safety and Health Committee, the ESCAP Senior Management Team and the ESCAP Senior Management Group.

9. In addition, the project met with stakeholders from both ESCAP and the United Nations agencies, funds and programmes located at the premises that will be impacted by the construction. Regular meetings with the staff council representatives were also conducted to ensure that staff voices are considered.

**Coordination and oversight by the Global Asset Management Policy Service**

10. The project team continues to engage closely with the Global Asset Management Policy Service, which provides oversight for the project and acts as the interlocutor between the project, key stakeholders at Headquarters, other ongoing organizational capital construction projects and offices away from headquarters, facilitating the sharing of knowledge, best practices and lessons learned.

11. Supported by a professional risk management firm, the Global Asset Management Policy Service continues to provide independent risk management services to the project. Risk touchpoints are held quarterly, and twice a year an independent risk management report is issued to inform the project owner and project executive about the current exposure. A P-4 Project Coordinator within the Global Asset Management Policy Service, cost shared with the Economic Commission for Africa (ECA) Africa Hall renovation project, serves as the key focal point for the ESCAP team.

**B. Project management****Project team**

12. Of the 13 initially approved temporary positions, 3 have previously expired, 5 are presently encumbered and 2 (Administrative and Finance Assistant and Information Technology Assistant, both at the Local level, are under recruitment. Three positions remain vacant (Security Assistant (Local level), one Information Technology Assistant (Local level) and one Safety Project Officer (Local level)).

13. The Information Technology Assistant (Local level) and the Administrative and Finance Assistant (Local level) are under recruitment after the previous incumbents left the positions in June 2022 and May 2023, respectively. Given the short duration left for the conclusion of the project, filling vacated positions is challenging.

Table 1  
Project management positions: incumbency from project inception

<i>Positions</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>January–July 2024 planned</i>
Project Manager (P-5)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Project Engineer (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Civil/Structural Engineer (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	–	–	–	–
Building Mechanical, Electrical and Plumbing Service Engineer (NPO)	–	–	Encumbered	Encumbered	Encumbered	Vacant since March	–	–
Logistics Coordination Officer (NPO)	–	–	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Safety Project Officer (LL)	–	–	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant
Administrative and Finance Assistant (LL)	Encumbered	Encumbered	Encumbered up to November	Vacant	Vacant	Encumbered since February	Currently vacant; under recruitment	Encumbered
On-site security staff – swing space (LL)	–	–	–	–	Encumbered	Encumbered	Encumbered	Encumbered
On-site IT support staff – swing space (LL)	–	–	Encumbered	Encumbered	Encumbered	Vacant since June; under recruitment	Currently vacant	Currently vacant
Project Coordinator (P-4), located at United Nations Headquarters	Encumbered; equal cost-sharing between ESCAP and ECA	Encumbered; equal cost-sharing between ESCAP and ECA	Encumbered; equal cost-sharing between ESCAP and ECA	Encumbered; equal cost-sharing between ESCAP and ECA	Encumbered; no cost was borne by ESCAP <sup>a</sup>	Encumbered; no cost was borne by ESCAP <sup>a</sup>	Encumbered since July; equal cost-sharing between ESCAP and ECA <sup>b</sup>	Encumbered; equal cost-sharing between ESCAP and ECA
Procurement Officer (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	–	–	–

*Abbreviations:* ECA, Economic Commission for Africa; ESCAP, Economic and Social Commission for Asia and the Pacific; IT, information technology; LL, Local level; NPO, National Professional Officer.

<sup>a</sup> The Project Coordinator (P-4) at Headquarters was cost-shared equally between Africa Hall at ECA and the ESCAP seismic mitigation project from 2017 to 2020. During 2021 and 2022, the position has been cost-shared equally between Africa Hall and the replacement of office blocks A–J at the United Nations Office at Nairobi. For 2023, the P-4 Project Coordinator position will be cost-shared equally between Africa Hall and the ESCAP seismic mitigation project.

<sup>b</sup> The previous Project Coordinator (P-4), located at United Nations Headquarters, left the Global Asset Management Policy Service at the end of 2022. During the recruitment period for the position, the Project Coordinator services were provided by the Service within existing resources.

## **C. Project accountability**

14. The General Assembly, in its resolution [71/272 A](#) (sect. IV, para. 13), requested the Secretary-General to entrust the Office of Internal Oversight Services (OIOS) with providing oversight of the project and to include information on key findings in the context of the annual reports of OIOS on its activities.

15. The seventh annual audit of the project was conducted in February and March 2023 and covered the period from March 2022 to February 2023. The audit was conducted in person at ESCAP in March 2023. During the visit, OIOS representatives had the opportunity to see the progress made on the main construction works and meet with key stakeholders.

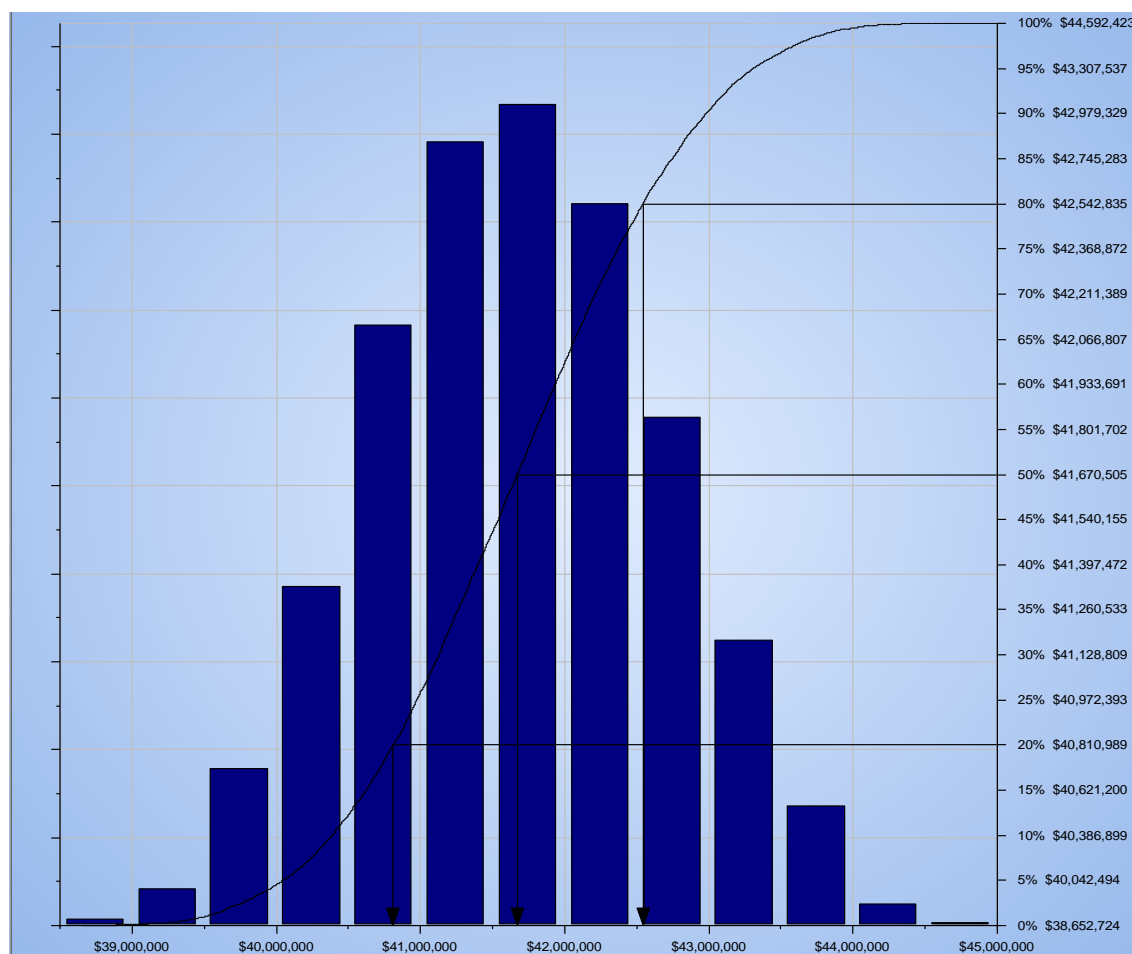
16. The areas covered included project management, procurement activities, contract management and project oversight. The final report, No. 2023/017, published in June 2023, included six recommendations: five for ESCAP and one for the Global Asset Management Policy Service.

## **IV. Risk management**

17. The first risk management workshop, conducted in March 2018 in Bangkok, informed the baseline risk register and Monte Carlo analysis. The workshop resulted in a project risk management strategy document, a risk register and the first quantitative (Monte Carlo) analysis of project risks. Since 2018, supported by an independent risk management firm, the Global Asset Management Policy Service has conducted regular risk touchpoints and provided guidance on the management of the project risks. A total of 10 independent risk-management-progress-reports have been produced since 2018, with the eleventh currently being finalized, in order to provide ongoing support to the project owner's decision-making.

18. In June 2023, the independent risk management firm facilitated the latest Monte Carlo workshop for the ESCAP project. The Monte Carlo simulation serves to provide a quantitative assessment of both the updated cost plan and the risk register. It indicates the confidence levels as to the project being delivered within a simulated cost range, including the likelihood of achieving the "P80" benchmark, which has been established as the organizational target confidence level for capital construction projects. It also identifies the most impactful project risks. A summary of the Monte Carlo simulation outcomes is shown as a cost histogram in figure I and a tornado chart in figure II.

Figure I  
Cost histogram of analysed risks as at June 2023

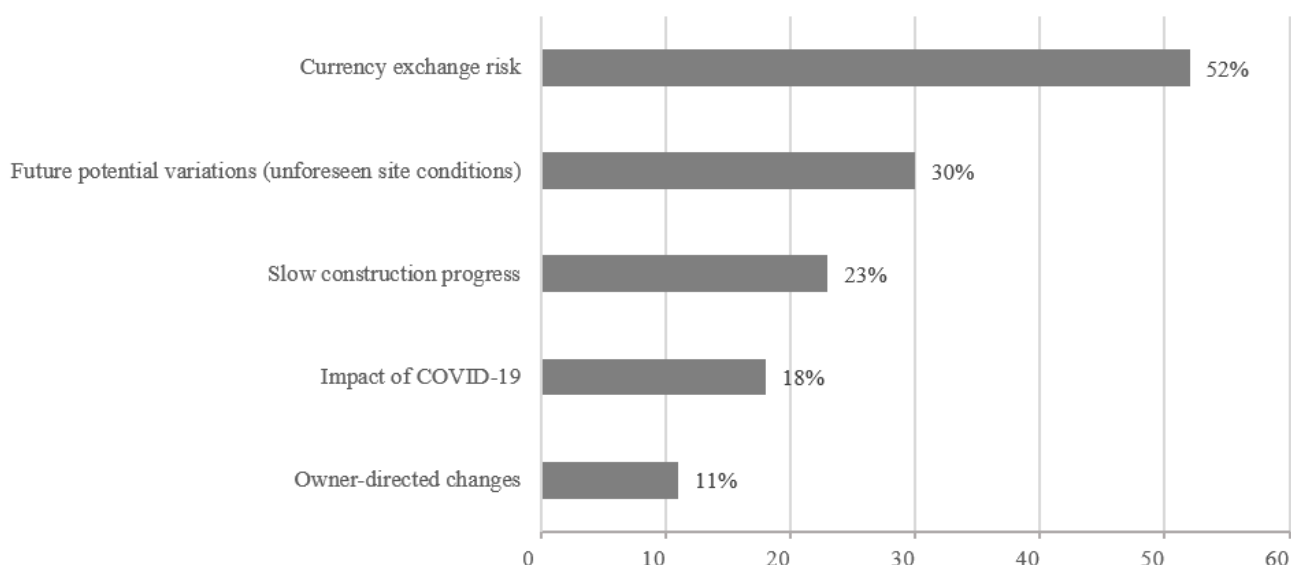


19. Figure I indicates that the likelihood of delivering the project within its approved budget of \$40.0 million is slightly below 5 per cent, which is a sharp drop from the 35 per cent previously reported and reflects the updated cost plan with the additional costs of delays and construction works, as well as the risk register updates. The Monte Carlo simulation revealed a cost range for the project from \$38.7 million to \$44.6 million. Figure I also shows that a project budget of \$42.5 million is needed to establish the United Nations target cost confidence level of 80 per cent (P80 value), which would be \$2.5 million above the currently approved maximum overall cost of the project of \$40.0 million.

20. The updated ESCAP cost plan results in a project budget of \$41,260,400, leading to a cost overrun of \$1,241,300 and reflects the same cost confidence level as in 2022, 35 per cent. It is intentionally lower than the P80 target value given that ESCAP, in consultation with the Office of Legal Affairs (OLA), is currently reviewing contractual options available to close the P80 gap.

21. The 2023 Monte Carlo simulation also resulted in the updated cost sensitivity analysis depicted in figure II, which shows the five risks that would have the greatest impact on the project costs. In figure II, these risks are shown in descending order based upon statistical correlation.

Figure II  
Cost sensitivity (“tornado”) chart as at June 2023



#### Description of the top five project risks

22. The top five risks identified in the cost sensitivity analysis, including a description of the risk response, are explained below:

(a) **Currency exchange risk.** This risk was first included in the fifth report of the Secretary-General ([A/76/313](#)) and relates to the risk that comes with exchange rate fluctuations between the Thai baht and the United States dollar. This risk reappears, with the highest score, in 2023 amid concerns that the global economic situation with high inflation and supply chain disruptions may impact the exchange rates. Since the main construction contract for the project is nominated in Thai baht, currency fluctuations could minimize ESCAP purchasing power. The project team is assessing ways to mitigate this risk, including through consultations with Headquarters entities. However, cost increases associated with the currency exchange rate may be unavoidable;

(b) **Future potential variations (unforeseen site conditions).** This risk was ranked fifth in the sixth report of the Secretary-General ([A/77/330](#)) and is ranked second in 2023. It is related to future unknown conditions that may arise as a result of construction requiring variations to the approved design. From knowledge gained during construction works for block B, during which many unforeseen conditions were encountered, this risk is evaluated higher in 2023 because block A may present similar conditions requiring further variations. To mitigate this risk, the project team and the construction administration consultant are closely monitoring the general construction activities in order to arrive at cost-effective and timely solutions to variations which may arise. Nevertheless, because the project is a major renovation of an existing building it has the inherent risk of unknown conditions. This risk may also have moved higher up in priority in 2023 owing to a lower evaluation of two top five risks from 2022 (mechanical, electrical and plumbing risk and building costs/preliminaries risk), which have been since mitigated;

(c) **Slow construction progress.** This risk appears for the first time in the top five risks in 2023. It is caused by the slower than planned delivery of the main construction works, which are currently forecast to result in project delays of



approximately seven months. Because of the delay, the services of the project team and some professional firms must be extended until the project reaches substantial completion, thus contributing to the current cost overrun of the project budget. There is a risk of further delays as the project progresses, which would cause additional costs. To mitigate the risk, the project team, the consultants and the contractor are working to regain some of the time lost to date. In addition, ESCAP, in consultation with OLA, is currently reviewing contractual options for mitigating related risks;

(d) **Schedule delay in construction owing to COVID-19 and other global events.** This risk reappears in the top five risks, having been absent from the top five in the previous report. The project team is mindful that future COVID-19 mutations could cause temporary shutdowns of the construction site during the remaining project implementation period and/or require increased safety measures during construction, resulting in additional delays with consequent costs. To mitigate this risk, the project team will continue to monitor the status and impact of COVID-19 in the host country and the wider region and address related risks and mitigating strategies with the contractor, including the continuation of reminders and training on COVID-19 safety awareness;

(e) **Owner-directed changes (late design requirements and/or optional scope additions).** This risk, which was ranked first and second in the two most recent reports, is caused by owner-directed or client-directed changes to any approved baselines (design documents, technical specifications, etc.). Such changes may be initiated by any of the approximately 30 United Nations entities at the ESCAP premises and may result in costs increases. However, as the block B design is already completed, and block A is currently at an advanced stage of design completion, the associated risk of changes is now reduced. Risk mitigation measures continue to be focused on close consultation with stakeholders to minimize change requests, with the understanding that any cost increases resulting from client-driven change requests would be covered by the requesting client.

Table 2  
**Top five risks 2021–2024**

2021 ( <i>A/76/313</i> , para. 27)	2022 ( <i>A/77/330</i> , para. 24)	2023 ( <i>see para. 22</i> )
1. Owner-directed changes: late design requirements and/or optional scope additions	1. Mechanical, electrical and plumbing	1. Currency exchange risk
2. Schedule delay in construction start owing to COVID-19	2. Owner-directed changes: late design requirements and/or optional scope additions	2. Future potential variations
3. Currency exchange risk	3. Exterior: marble cladding/ exterior facade	3. Slow construction progress
4. Mechanical, electrical and plumbing	4. Building costs: preliminaries	4. Schedule delay in construction owing to COVID-19
5. Project management	5. Future potential variations	5. Owner-directed changes: late design requirements and/or optional scope additions

*Integrated risk management*

23. Integrated risk management is performed at the local level by the project team and supported by the independent risk management firm. Many of the risks that are given the highest priority continue to be associated with unknown and unforeseen site conditions that may arise during construction. Although risks are actively managed and mitigated, some risks, such as the risk of currency exchange fluctuation, which is currently considered the highest risk for the project, will remain beyond the direct control of the project team.

*Risk register*

24. The project risk register, established in line with the Risk Management Strategy (A/73/327, para. 21), is updated on a regular basis by the project team. There are 22 active risks comprising 18 threats and 4 opportunities that are currently being managed by the team; 27 risks are currently closed out. The quantified risk register and the cost plan inform the Monte Carlo simulation for the project.

## **V. Progress made on the project during the reporting period**

### **A. Cooperation with member States and the host Government**

*Member States*

25. ESCAP continued to provide project updates to and solicit voluntary contributions from member States through the Advisory Committee of Permanent Representatives and Other Representatives Designated by Members of the Commission. The Committee members were invited to attend in-person meetings and site walkthroughs in October 2022, for the purpose of jointly providing information on ways to contribute towards the seismic mitigation project and the upgrading of the United Nations Conference Centre. Seven Committee members expressed interest and attended these meetings.

26. A brochure highlighting ways to contribute towards specific aspects of the project was also shared with member States in October 2022. The brochure contained suggestions for accessibility features to support a fully inclusive space in the secretariat building and for future technologies for the United Nations collaboration space, which will be located on the ground floor of the secretariat building.

27. The ESCAP Director of Administration, in her role as project executive, continued her engagement with member States to seek voluntary and in-kind contributions, including technical experts, Junior Professional Officers or United Nations Volunteers. At the time of submission of the present report, two member States have expressed interest in contributing to the project. ESCAP will pursue further discussions on these offers with the relevant member States.

*Host country relations*

28. ESCAP continued to engage with the Ministry of Foreign Affairs of Thailand to seek assistance and support for the project. Since the previous progress report, ESCAP has engaged with representatives of the Ministry's Department of International Organizations, including through two bilateral meetings between the ESCAP Executive Secretary and the Permanent Secretary of Foreign Affairs of Thailand and a visit to the seismic mitigation project construction site, where host country delegates witnessed the progress made to date. Delegates of the Ministry also attended a side event at the seventy-ninth session of ESCAP, on "Sustainability at ESCAP", at which

the seismic mitigation project General Contractor participated as a panellist, sharing best practices on local construction.

29. The host country has assured ESCAP that it will continue to facilitate coordination with the Bangkok Metropolitan Authority, especially at the substantial completion and closeout stage of the project, to conduct relevant inspections and document submittals to the Authority. ESCAP will continue to update Department of International Organizations of the Ministry of Foreign Affairs of Thailand and seek assistance as required.

## **B. Status of voluntary contributions**

30. ESCAP continued to make extensive efforts to solicit voluntary contributions; to date, two member States have recently expressed interest in contributing towards the ground floor collaborative spaces of the secretariat building. This floor will support collaborative activities between ESCAP and member States by providing specialized spaces for bilateral meetings, tripartite projects, United Nations fellowship programmes and other multi-stakeholder engagements, with a view to supporting the United Nations Common Agenda.

31. In addition, the project team is discussing with the United Nations Volunteer programme the engagement of a Junior Civil Engineer sponsored by the Chinese Young Volunteer Association for a period of six months to support the project team during construction.

32. ESCAP will also continue to conduct outreach and engagement with the host Government and other member States to solicit additional contributions.

## **C. Local knowledge and lessons learned**

33. ESCAP continued to rely on local knowledge and lessons learned, including through engagement and expert advice from the Asian Institute of Technology (the seismic designers for the project), the local expert on the removal of hazardous materials from the premises and the Bangkok Metropolitan Authority.

### *Local knowledge: licensed hazardous materials expert*

34. As reported in [A/77/330](#), a licensed hazardous materials expert and her team from Mahidol University in Thailand worked with ESCAP and the general contractor on the removal and disposal of hazardous materials, provided training and oversight of the removal work, conducted air quality testing and reported the completion of abatement works in block B under phase 1. The Mahidol University team will also support phase 2 construction.

### *Local knowledge: Asian Institute of Technology*

35. The project seismic designer of record is the Asian Institute of Technology, a Bangkok-based internationally acclaimed engineering, educational and research institute with knowledge of the local and regional context as it pertains to design for seismic events and progressive engineering solutions compliant with international standards for seismic design. They have engaged with the project team since the design phase and conducted regular site inspections for seismic applications by the contractor and provided technical advice and oversight of the works.

*Support received from the Bangkok Metropolitan Authority*

36. The Bangkok Metropolitan Authority continues to provide advice and guidance and will stay engaged throughout the construction phases, in particular towards the end of the project, to facilitate project completion submittals and inspections.

*Lessons learned: multistage procurement exercise for construction services*

37. ESCAP utilized the multistage procurement approach and awarded a contract for general construction services in late 2021. In response to a recommendation by OIOS in its audit of the project in 2022, and also in response to the report of the Advisory Committee on Administrative and Budgetary Questions ([A/77/7Add.12](#), para. 15), ESCAP has compiled a lessons learned document on this multistage procurement exercise in consultation with the Procurement Division in New York. The document, which includes the process followed, challenges and benefits and the eventual successful outcome, together with guidance for future users of this solicitation approach, was submitted to OIOS for the record. The document will be made available to share for other capital projects through the Procurement Division in New York and the Global Asset Management Policy Service.

*Lessons learned: joint furniture solicitation exercise*

38. As reported previously, ESCAP led a joint solicitation exercise with the Economic Commission of Africa (ECA), which resulted in the successful award of multiple contracts providing standardized office furniture and accessories for both locations.

39. In response to the recommendation of the Advisory Committee on Administrative and Budgetary Questions ([A/77/7Add.12](#), para. 17), the project team developed a lessons learned document, which was presented at the annual conference of the Inter-Agency Network of Facilities Managers, organized by the Global Asset Management Policy Service and convened in Rome in May 2023. The audience included broad representation from all Secretariat capital projects, as well as offices away from headquarters, United Nations agencies, funds and programmes and other affiliated entities.

40. The presentation was followed by requests from participants who wished to utilize the ESCAP contracts to purchase furniture for their entities by leveraging the mutual recognition statement. To date, 23 United Nations agencies funds and programmes have leveraged these contracts to purchase furniture to accommodate approximately 800 staff in the renovated space in the secretariat building. Furniture has also been purchased by other United Nations entities in the region, thereby supporting the Secretary-General's call to operate according to the principle of mutual recognition of best practices in terms of policies and procedures, with the aim of facilitating active collaboration across agencies and reducing transaction costs.

## **D. Procurement**

41. As all key contracts in support of the project were awarded in late 2021, the focus since 2022 has been on contract management ensuring the delivery of high-quality goods and/or services. Since the project team no longer has a dedicated procurement resource, the ESCAP Procurement Unit provides support on contract amendments, vendor performance reviews and consultations with OLA at United Nations Headquarters, inter alia, as required.

## E. Consultancy services

42. ESCAP seismic mitigation project has several consultancy contracts to fill the gaps in capacity and expertise not available within the project team. Some of these consultancy contracts would need to be extended until substantial project completion, currently expected to be in July 2024.

### *Contract for the general construction works*

43. Further to the award of the main construction works contract in October 2021, phase 1 construction works commenced on 23 November 2021. Since the substantial completion of the overall construction works is delayed, the project team is working with the ESCAP Procurement Unit to extend the duration of the general construction contract until the revised substantial completion date. The amendment will also include a change to the overall contract value to include the cost of variation orders that have been approved since the construction commenced in 2021.

44. Earlier in 2023, ESCAP exercised the delay damages contractual clause in response to the delays in completing phase 1 construction works, which were to be completed in November 2022. ESCAP is currently reviewing all contractual options available to mitigate related risks, in consultation with OLA.

### *Contract for moving and logistic services*

45. The moving and logistics services contractor continues to provide logistic support related to the moves of staff and property to and from swing space and moves of property to off-site storage and/or disposal. The contractor is working with the project logistics coordination officer to prepare for the move of 25 United Nations entities, including approximately 800 occupants, to block B of the secretariat building to be completed under phase 1 construction. This contract was set up to meet project requirements and to serve as an on-call contract to meet the long-term requirements at the ESCAP premises. Therefore, no amendments are required to extend the contract to align with project delays.

### *Contract for construction administration services*

46. The construction administration services contract was signed in 2021. The contractor provides day-to-day monitoring, oversight and administration of the construction works to ensure that the general construction contractor delivers compliant services and provides on-call design services and other specialized technical expertise for the project. At present the construction administration consultant is making diligent efforts to manage the current delays in the main construction, ensuring that the general contractor implements mitigating actions to avoid further slippage while ensuring compliant work. This contract is expected to be extended until the substantial completion of the project in July 2024.

### *Seismic design consultants*

47. The ESCAP project team has continued to consult with the seismic engineering team from the Asian Institute of Technology in Thailand, which delivered the seismic reinforcement design for the project. The Institute holds the design liability for the seismic design of both the ESCAP secretariat and service buildings. This contract will remain active until the substantial completion of the project.

*Architectural, cost engineering and mechanical engineering consultants*

48. Three independent consultants, an architect, a cost engineer and a mechanical engineer support the project team. The architectural consultant led the design for the future workspace for 25 United Nations agencies, funds and programmes for project phases 1 and 2. The project cost engineer supports the Project Manager in maintaining the project cost plan, including cost management related to variation orders. The mechanical engineering consultant supports the Project Engineer regarding the mechanical scope of the project and with the testing and commissioning activities.

## **F. Planning and design activities**

*Finalizing the design of the future workspace*

49. Space layouts for 25 occupant groups, consisting of rent-paying United Nations agencies, funds and programmes, were finalized, with more than 120 one-on-one client consultations concerning functional requirements. The aim of this engagement process was to ensure that the requirements of clients were met within the parameters of the project design and to minimize owner-directed changes at a later stage.

50. In February 2023, the project team commenced a similar series of engagements, with ESCAP clients moving to secretariat block A, being renovated under phase 2 construction. The design of the ESCAP future workspace has taken into consideration operational requirements and COVID-19 health and safety standards and incorporates best practices and lessons learned from the flexible workspace pilot conducted at ESCAP.

*Flexible workplace pilot*

51. The flexible workplace pilot, which was implemented in December 2022 at the ESCAP on-site swing space building, provides 100 seats for 328 occupants from nine ESCAP divisions on a 30 per cent occupancy basis (a seats-to-occupants ratio of 3:10). Since its initial deployment, the project team has incorporated feedback from the occupants and considered lessons learned to develop swing space layouts for phase 2 construction works, which is currently under review.

*Business readiness and change management*

52. The project team is conducting business readiness activities for moving future occupants of block B into their renovated spaces upon phase 1 completion. These activities include: conducting pre-move surveys with all 25 client groups; developing a move plan; keeping clients informed of anticipated move dates; and addressing any concerns that they may have. This approach helps manage client expectations, especially given the current delays to the completion of phase 1 construction. Similar engagements will be conducted with the occupants impacted by phase 2 construction.

*Occupational safety and health*

53. With phase 1 construction works progressing, ESCAP continued to enforce occupational safety and health standards and oversight in compliance with the ESCAP occupational health and safety framework. Weekly safety and health meetings and site walks with the general contractor and the ESCAP occupational health and safety officer and other key stakeholders are aimed at identifying and addressing all instances of non-compliance.

54. To further promote a culture of occupational safety and health awareness at ESCAP, the Division of Health-Care Management and Occupational Safety and

Health was invited to conduct a series of on-site occupational health and safety awareness training sessions. More than 207 United Nations personnel from ESCAP and United Nations agencies, funds and programmes participated in these trainings, and 30 ESCAP personnel participated in a specialized interactive four-day occupational health and safety training.

## **G. Other matters**

### *Accessibility*

55. Accessibility features continue to be implemented in block B of the secretariat building, in compliance with General Assembly resolution 70/170, “Towards the full realization of an inclusive and accessible United Nations for persons with disabilities”. The accessibility requirements remain unchanged since the previous report.

### *Energy efficiency gains*

56. Through the design of key elements, ESCAP will meet or exceed the project goal to reduce 16–18 per cent energy consumption and long-term maintenance costs, through: (a) a new façade which replaces the existing windows with double-glazed, higher-performance windows; (b) the replacement of existing deteriorated marble cladding on the exterior walls with new weather-resistant cladding; (c) the upgrading of the roof with increased thermal insulation to reduce heat gains; (d) the upgrading of the mechanical ventilation system with a higher performing variable air volume system; and (e) new electrical systems, including distribution and control panels, LED lighting and a smart lighting control system with motion and daylight sensors.

57. The baseline energy model developed at the start of the project and updated prior to construction in late 2021 determined the electricity consumption in the secretariat building in 2019 (excluding elements outside of the project scope such as elevator power usage) was 3.04 GWh per year. Energy consumption after project completion is projected to be approximately 2.205 GWh per year, an estimated reduction in annual consumption of 0.83 GWh per year, which exceeds the 16–18 per cent energy saving target. ESCAP has no control over the energy costs determined by the local authorities. It is therefore not possible to accurately project the savings in currency.

## **H. Status of construction efforts**

### *Construction methodology and phases of construction*

58. Under the terms of the construction contract signed in October 2021, the works are being implemented in four phases. A notice to proceed for phases 1A and 1B was issued in November 2021. When phase 1 construction reaches substantial completion in October 2023, ESCAP expects to issue a notice to proceed for phases 2A and 2B. At present, phase 2 construction works in block A are expected to commence in late October 2023 and be completed by end July 2024. Thereafter, the final moves of ESCAP occupants into the secretariat are to be implemented. The contractor is expected to hand over the completed project and begin demobilization works by end July 2024.

### *Progress on phase 1 construction works*

59. Phase 1 construction progressed well with the completion of demolition, the removal of hazardous materials and the installation of key construction elements, until interim delays were reported by the general contractor in November 2022. These

delays resulted partly from the late impacts of COVID-19, such as delays in delivery of imported materials owing to the disrupted international supply chain, challenges related to labour resource shortages in the local market and unforeseen site conditions discovered during construction which required additional design and variation orders. ESCAP responded immediately, engaging the general contractor at the working level and at the senior management level to implement appropriate risk mitigation measures to avoid further slippage. At the time of submission of the present report, although behind the original schedule, phase 1 construction on block B of the secretariat building is at 90 per cent completion, and once the remaining works have been completed, subject to the completion of testing and commissioning, substantial completion is expected in October 2023.

60. The seismic reinforcement of structural and non-structural elements covered under the phase 1 construction scope has been completed. This consisted of the application of carbon fibre reinforced polymer to reinforce selected structural elements within block B in line with the seismic design submitted by the Asian Institute of Technology.

61. Fireproofing work to comply with relevant fire safety codes has also been completed, the replacement of the existing window solution with a new energy efficient solution has been implemented on the North and South facades of block B. The deteriorated original Italian Carrera marble cladding on the exterior sheer walls and link walls has been replaced with new locally sourced Thai Saraburi marble, preserving the original aesthetic while fully serving the functional requirements, with the added advantage of also being cost-effective. An upgraded and more efficient heating, ventilation and air-conditioning (HVAC) system and a new electrical system with smart lighting have also been implemented, contributing to achieving or exceeding the project goals of 16–18 per cent energy efficiency gains.

62. The renovations of the interior space to deliver a modernized new workspace are at 95 per cent completion. From the 2nd to the 15th floor, all interior workspaces and support spaces have been built, walls painted and new ceiling solutions and lighting installed. On the ground and 1st floors there are some mechanical, electrical and architectural works still in progress.

#### *Testing, commissioning and substantial completion*

63. The remaining work on the block B floors is focused on inspections for defects, completion of works in the core ventilation systems and testing and commissioning of the centralized building systems, and an independent testing and commissioning agent is on board to oversee and guide these activities. The installation of the new furniture systems will be carried out concurrently while testing and commissioning activities are ongoing to compress the schedule for substantial completion. Upon the conclusion of the testing and commissioning activities, the General Contractor's works will be certified as substantially complete, and the phase 1 renovations will be handed over to ESCAP.

#### *Phase 2 construction commencement and project completion*

64. When phase 1 construction is substantially completed, occupants in block A will be moved to renovated spaces in block B. The vacated floors will be cleared of all United Nations property and handed over to the general contractor to commence phase 2 construction.

65. Although commencing later than originally planned, the phase 2 construction is not expected to take as long as phase 1, primarily because the design of all the major building systems has already been completed. In addition, the methods, materials, finishes and equipment for the construction works have already been approved during



phase 1 and advance purchases have been made or are in the pipeline. Since block A under phase 2 construction is almost identical to block B under phase 1 construction, there is less likelihood of unforeseen conditions. Substantial completion of phase 2 is expected to be achieved by end July 2024.

66. The minimal seismic reinforcement works that are due to be carried out in the four-storey Service Building will be implemented concurrently with phase 2 construction works in the secretariat building and will take eight weeks to be completed.

## **I. Project schedule**

### *Progress of construction works and delays to completion of phases 1 and 2*

67. The project is currently expected to be substantially completed by July 2024, which would result in a total delay of seven months as compared with the substantial completion date of December 2023 that was reported in the previous report and is aligned with the signed construction contract. Project closeout is now scheduled to begin in August 2024 and extend into July 2026, a 24-month period aligned with the construction defects liability period. As previously planned, with the early involvement of the ESCAP facilities management unit and information technology section, it is anticipated that no dedicated project resources will be required for the closeout phase of the project.

68. The project team, supported by the construction administration service contractor, supervises and monitors the construction progress and, since late 2022, ESCAP senior management has continued to meet regularly with the general contractor's senior management to discuss and ensure that all mitigation actions are in place to avoid further delays.

Figure III  
Project schedule as at 31 July 2023

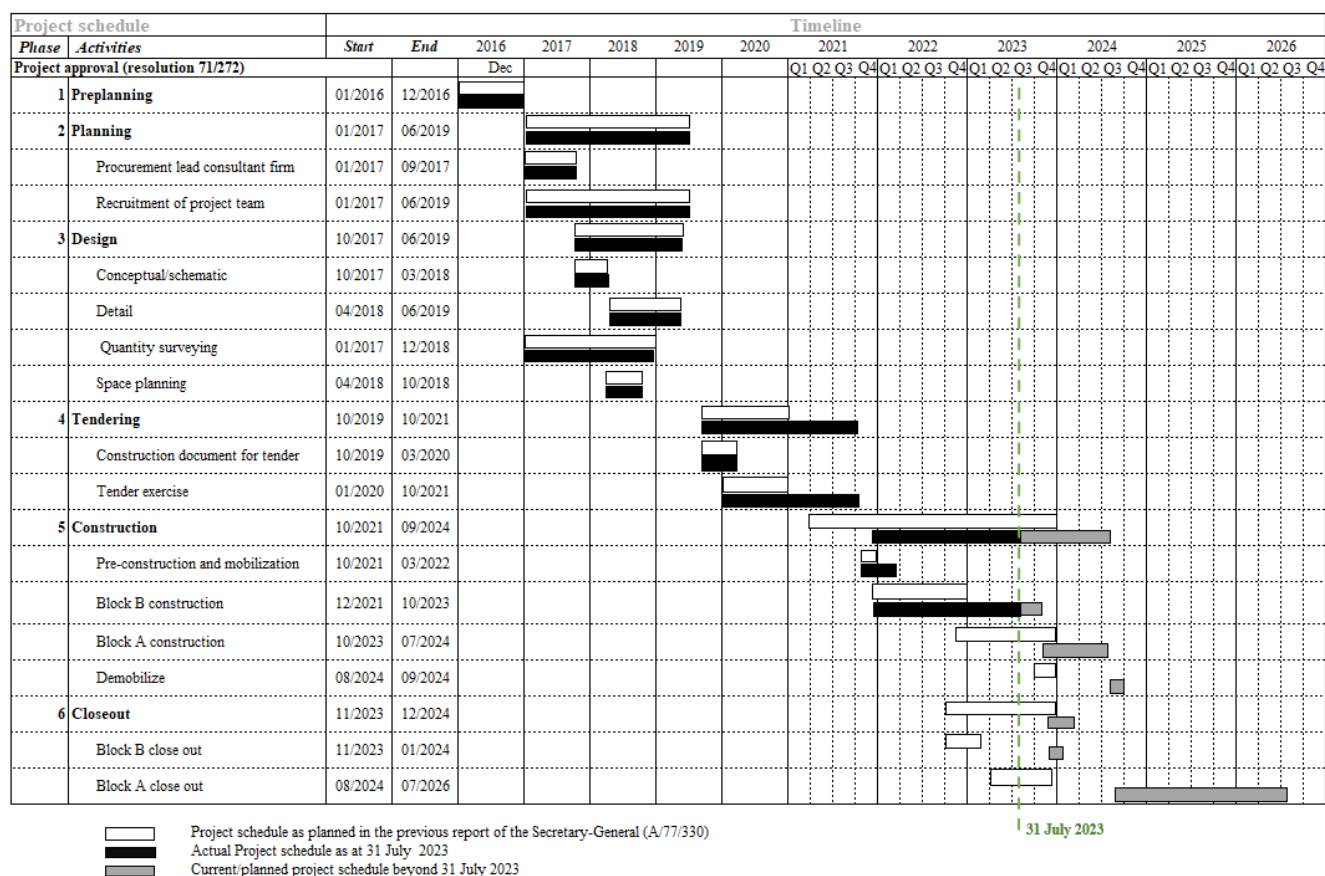


Table 3  
Updated schedule in tabular format, compared with the schedule in the previous report

Phase/subphase	In current report		In previous report (A/77/330)		Change	Reasons
	Start	End	Start	End		
1. Preplanning	01/2016	12/2016	01/2016	12/2016	No change	—
2. Planning	01/2017	06/2019	01/2017	06/2019	No change	—
Procurement of lead consultant firm	01/2017	09/2017	01/2017	09/2017	No change	—
Recruitment of project team	01/2017	06/2019	01/2017	06/2019	No change	—
3. Design	10/2017	06/2019	10/2017	06/2019	No change	—
Conceptual/schematic	10/2017	03/2018	10/2017	03/2018	No change	—
Detail	04/2018	06/2019	04/2018	06/2019	No change	—
Quantity surveying	01/2017	12/2018	01/2017	12/2018	No change	—

Phase/subphase	In current report		In previous report (A/77/330)		Change	Reasons
	Start	End	Start	End		
Space planning	04/2018	10/2018	04/2018	10/2018	No change	—
4. Tendering	10/2019	10/2021	10/2019	10/2021	No change	—
Construction document for tender	10/2019	03/2020	10/2019	03/2020	No change	—
Tender exercise	01/2020	10/2021	01/2020	10/2021	No change	—
5. Construction	10/2021	07/2024	10/2021	12/2023	Delay 7 months in end date	Delay in completion
Preconstruction and mobilization	10/2021	03/2022	10/2021	03/2022	No change	—
Block B construction	01/2022	10/2023	01/2022	12/2022	Delay 10 months to end date	Delay in completion
Block A construction	10/2023	07/2024	12/2022	12/2023	Delay 10 months in start date, 7 months in end date	Delay as a result of preceding phase delay
Demobilize	08/2024	09/2024	11/2023	12/2023	Delay 9 months	—
6. Closeout	11/2023	07/2026	01/2023	02/2024	Delay 10 months to start date and 29 months to end date	Delay as a result of shifted construction schedule
Block B closeout	11/2023	01/2024	01/2023	03/2023	Delay 10 months to start date and 29 months to end date	Delay as a result of preceding phase delay
Block A closeout	08/2024	07/2026	10/2023	02/2024	Delay 10 months to start date and 29 months to end date	Delay as a result of preceding phase delay

## J. Rental income

69. The rental rates for 2020–2021, at \$264 per square metre per annum for United Nations agencies, funds and programmes and \$288 for commercial tenants, have been extended into 2024. The rental rate assessment has been completed, providing a rate equating to \$288, based on 2022 post COVID-19 market analysis, with the rental market having softened slightly owing to COVID-19 but remaining robust. The new rate will be effective from 1 January 2025. All United Nations agencies, funds and programmes were notified in March 2023 of the 2024 and 2025 rates. The projected 20 per cent space efficiency gains in the secretariat building of 1,800 m<sup>2</sup> have firm commitments from agencies to rent once available and are reflected in the 2025 figures, and space remains in high demand. As recommended in the rental assessment survey, rates will continue to be assessed and charged on a per square metre basis.

70. Table 4 shows the estimated rental income per year during the proposed construction period and at the end of the project in 2024 and new rate in 2025, where

space efficiency improvements provide additional rental space. The table includes the projected income from the 1,200 m<sup>2</sup> of swing space.

Table 4  
**Estimated rental income**

(United States dollars)

	2021	2022	2023 <sup>a</sup>	2024 <sup>a</sup>	2025 <sup>a</sup>
Rental rate (per annum per square metre)	264	264	264	264 <sup>b</sup>	288
Rental income	3 881 557	3 697 428	3 731 112	3 803 052	4 597 728
Future income (swing space)	—	—	—	—	342 720
Rental income	3 881 557	3 697 428	3 731 112	3 803 052	4 940 448

<sup>a</sup> Rental income, represented in annual values, may vary owing to changes in areas occupied during construction.

<sup>b</sup> Rental rate maintained in 2024 at \$264 and not \$288.

## VI. Project expenditures and anticipated costs

### A. Status of expenditure and projected expenditure up to the end of 2023

71. By its resolutions [71/272 A](#), [72/262 A](#), [73/279 A](#), [74/263 A](#), [75/253 A](#), [76/246 A](#) and [77/263 A](#), the General Assembly appropriated a total amount of \$40,019,000 for the project to cover the period 2017–2023. The cumulative expenditure as at 31 July 2023 was \$24,924,200, and the projected expenditure for the remainder of 2023 amounts to \$9,576,700, as detailed in table 5.

72. As shown in table 5, a balance of \$5,518,100 is projected unused at the end of 2023, due to slippage of the project completion which has now shifted to the third quarter of 2024.

Table 5  
**Status of expenditure as at 31 July 2023 and projection for the remainder of 2023**

(Thousands of United States dollars)

	<i>Appropriated project funding for the period 2017–2023</i>	<i>Cumulative expenditure as at 31 July 2023</i>	<i>Projected expenditures from 1 August to 31 December 2023</i>	<i>Total projected expenditures for 2017–2023</i>	<i>Projected unused balance at the end of 2023</i>
	(a)	(b)	(c)	(d)=(b)+(c)	(e)=(a)-(d)
<b>Section 33, Construction, alteration, improvement and major maintenance</b>					
1. Construction costs	25 318.0	15 804.3	8 829.0	24 633.3	684.7
2. Professional services (consultancies)	4 491.3	4 086.9	395.7	4 482.6	8.7
3. Escalation	3 484.2	—	—	—	3 484.2
4. Contingency	1 051.0	—	—	—	1 051.0
<b>Subtotal, section 33</b>	<b>34 344.5</b>	<b>19 891.2</b>	<b>9 224.7</b>	<b>29 115.9</b>	<b>5 228.6</b>

	<i>Appropriated project funding for the period 2017–2023</i>	<i>Cumulative expenditure as at 31 July 2023</i>	<i>Projected expenditures from 1 August to 31 December 2023</i>	<i>Total projected expenditures for 2017–2023</i>	<i>Projected unused balance at the end of 2023</i>
	(a)	(b)	(c)	(d)=(b)+(c)	(e)=(a)-(d)
<b>Section 19, Economic and social development in Asia and the Pacific</b>					
5. Project management	5 674.5	5 033.0	352.0	5 385.0	289.5
<b>Subtotal, section 19</b>	<b>5 674.5</b>	<b>5 033.0</b>	<b>352.0</b>	<b>5 385.0</b>	<b>289.5</b>
<b>Total</b>	<b>40 019.0</b>	<b>24 924.2</b>	<b>9 576.7</b>	<b>34 500.9</b>	<b>5 518.1</b>

## B. Resource requirements in 2024

73. Considering the updated costs of construction and staff, and the risks identified in the risks register, the new overall maximum cost of the project is estimated at \$41,260,400, compared with \$40,019,000 previously approved.

74. The resource requirements for 2024 (see table 6) show total projected expenditure of \$6,759,300 comprising:

(a) \$6,216,200 under section 33, to provide for: (i) increased building costs based on the actual awarded contract amount (\$4,941,700); (ii) \$544,100 for swing space, including the cost of moving services and furniture; (iii) \$462,800 for professional services to cover the costs of extending the construction administration services contract and three consultants until July 2024; and (iv) \$267,600 for contingency requirements at a 35 per cent confidence level;

(b) \$543,100 under section 19 for the continuation of the project team positions during the projected construction slippage of 7 months until July 2024. This includes 1 P-5, 1 P-4, 1 NPO, 3 local level positions and 50 per cent of the cost of the P4 Project Coordinator in the Global Asset Management Policy Service, as reflected in table 1. While additional funding for project management under section 19 will be required, the total amount of \$543,100 is offset by \$289,500 in unused funds due to staff vacancies in 2023.

Table 6  
**Resource requirements in 2024**

(Thousands of United States dollars)

	<i>Projected expenditures in 2024</i>	<i>Projected unused balance at the end of 2023</i>	<i>Net funding requirement in 2024</i>
<b>Section 33, Construction, alteration, improvement and major maintenance</b>			
1. Construction costs	5 485.9	684.7	4 801.2
2. Professional services (consultancies)	462.8	8.7	454.1
3. Escalation	—	3 484.2	(3 484.2)
4. Contingency	—	1 051.0	(1 051.0)
5. P35 Contingency (Monte Carlo 2023)	267.6		267.6
<b>Subtotal, section 33</b>	<b>6 216.3</b>	<b>5 228.6</b>	<b>987.7</b>

	<i>Projected expenditures in 2024</i>	<i>Projected unused balance at the end of 2023</i>	<i>Net funding requirement in 2024</i>
<b>Section 19, Economic and social development in Asia and the Pacific</b>			
6. Project management	543.1	289.5	253.6
<b>Subtotal, section 19</b>	<b>543.1</b>	<b>289.5</b>	<b>253.6</b>
<b>Total</b>	<b>6 759.3</b>	<b>5 518.1</b>	<b>1 241.3</b>

75. Since the General Assembly approved in its resolution [71/272](#) A the establishment of a multi-year construction-in-progress account for the project, the anticipated unused balance of \$5,518,100 at the end of 2023 will be carried forward to offset part of the resource requirement of \$6,759,300 for 2024. Consequently, the net resource requirement for 2024 amounts to \$1,241,300, comprising: (a) \$253,600 under section 19, Economic and social development in Asia and the Pacific; and (b) \$987,700 under section 33, Construction, alteration, improvement and major maintenance, of the proposed programme budget for 2024.

## VII. Next steps

76. The actions to be undertaken during the next reporting period are as follows:

(a) Completing the removal of hazardous materials in compliance with the established safety standards and continuing to ensure the safety and well-being of staff and visitors to the ESCAP premises throughout the construction phase;

(b) Completing both phases 1 and 2 of the construction works within the revised schedule and revised budget, while ensuring business continuity at the ESCAP premises;

(c) Completing the decommissioning of all construction works from the ESCAP premises and returning the construction staging areas to their former functions;

(d) Completing the move of occupants from swing space into the renovated space in the secretariat building once both phases 1 and 2 of the construction works are completed;

(e) Continuing the change management and business readiness activities with ESCAP stakeholders, staff and tenants until completion of the project;

(f) Continuing to manage the project risks, including the impact of the COVID-19 pandemic, using both independent and integrated risk management strategies;

(g) Completing the handover and closeout activities of the project in accordance with procedures established in the project management plan.

## VIII. Recommended actions to be taken by the General Assembly

77. The General Assembly is requested to:

(a) Take note of the report of the Secretary-General;

(b) Approve the revised estimated overall maximum cost of the project of \$41,260,400;

(c) **Appropriate an amount of \$1,241,300 for 2024, comprising \$253,600 under section 19, Economic and social development in Asia and the Pacific, and \$987,700 under section 33, Construction, alteration, improvement and major maintenance, of the proposed programme budget for 2024, which would represent a charge against the contingency fund.**

## Annex I

## Revised cost plan

(Thousands of United States dollars)

	2017	2018	2019	2020	2021	2022	2023	2024	2025–2026	Total	Reported in A/77/313	Difference
<b>Section 33, Construction, alteration, improvement and major maintenance</b>												
1. Construction costs												
1.1 Building costs – main	–	–	–	–	2 523.3	9 924.3	8 248.8	4 941.7	–	25 638.1	20 823.3	4 814.8 <sup>a</sup>
1.2 Swing space costs	–	–	1 535.6	986.2	356.5	149.1	719.4	544.1	–	4 290.9	4 304.5	(13.6)
1.3 Physical security system	–	–	–	13.4	112.2	1.1	63.3	–	–	190.0	190.0	(0.0)
<b>Subtotal, Construction costs</b>	<b>–</b>	<b>–</b>	<b>1 535.6</b>	<b>999.6</b>	<b>2 992.0</b>	<b>10 074.4</b>	<b>9 031.5</b>	<b>5 485.8</b>	<b>–</b>	<b>30 119.0</b>	<b>25 317.8</b>	<b>4 801.2</b>
2. Professional services (consultancies)												
2.1 Lead consultancy firm	201.8	1 366.3	197.2	0.3	–	–	–	–	–	1 765.6	1 765.6	(0.0)
2.2 Seismic design	134.4	–	–	–	–	–	–	–	–	134.4	134.4	(0.0)
2.3 Office space design	–	–	–	–	–	–	–	–	–	–	–	–
2.4 Risk management	–	7.5	55.2	45.2	22.6	15.1	15.0	25.0	–	185.5	183.1	2.4
2.5 Other services	125.8	57.0	44.0	304.3	150.1	806.4	934.7	437.8	–	2 860.0	2 408.3	451.8 <sup>b</sup>
<b>Subtotal, Professional services (consultancies)</b>	<b>462.0</b>	<b>1 430.8</b>	<b>296.4</b>	<b>349.8</b>	<b>172.7</b>	<b>821.4</b>	<b>949.7</b>	<b>462.8</b>	<b>–</b>	<b>4 945.6</b>	<b>4 491.4</b>	<b>454.2</b>
3. Escalation	–	–	–	–	–	–	–	–	–	–	3 484.2	(3 484.2) <sup>c</sup>
4. Contingency	–	–	–	–	–	–	–	–	–	–	1 051.0	(1 051.0) <sup>d</sup>
5. P35 Contingency (Monte Carlo 2023)	–	–	–	–	–	–	–	267.6	–	267.6	–	267.6 <sup>e</sup>
<b>Subtotal, Escalation and contingencies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>267.6</b>	<b>–</b>	<b>267.6</b>	<b>4 535.2</b>	<b>(4 267.6)</b>
<b>Subtotal, section 33</b>	<b>462.0</b>	<b>1 430.8</b>	<b>1 832.0</b>	<b>1 349.5</b>	<b>3 164.7</b>	<b>10 895.9</b>	<b>9 981.2</b>	<b>6 216.2</b>	<b>–</b>	<b>35 332.2</b>	<b>34 344.4</b>	<b>987.8</b>
<b>Section 19, Economic and social development in Asia and the Pacific</b>												
6. Project management												
6.1 Dedicated project management/support team	474.8	613.9	782.6	884.0	865.4	640.0	607.0	473.3	–	5 341.0	5 113.7	227.3



	2017	2018	2019	2020	2021	2022	2023	2024	2025–2026	Total	Reported in A/77/313	Difference
6.2 Dedicated Coordinator at headquarters	14.2	135.6	147.6	125.2	–	–	60.0	69.8	–	552.4	526.1	26.3
6.3 Travel of project management team	24.7	–	–	–	–	–	10.0	–	–	34.7	34.7	–
<b>Subtotal section 19</b>	<b>513.7</b>	<b>749.5</b>	<b>930.2</b>	<b>1 009.2</b>	<b>865.4</b>	<b>640.0</b>	<b>677.0</b>	<b>543.1</b>	<b>–</b>	<b>5 928.1</b>	<b>5 674.5</b>	<b>253.6<sup>f</sup></b>
<b>Total</b>	<b>975.7</b>	<b>2 180.3</b>	<b>2 762.3</b>	<b>2 358.7</b>	<b>4 030.1</b>	<b>11 535.9</b>	<b>10 658.2</b>	<b>6 759.3</b>	<b>–</b>	<b>41 260.5</b>	<b>40 019.0</b>	<b>1 241.3</b>

<sup>a</sup> \$4,814,800 represents the additional resources required to cover increased costs based on actual contracts awarded and variation orders.

<sup>b</sup> \$451,800 under Professional services/Other services required to extend the construction administration and consultants by seven months, a result of the construction delay.

<sup>c</sup> Escalation fund balance of \$3,484,200 to be used towards additional construction costs.

<sup>d</sup> Contingency use of \$1,051,000 reflects the projected requirements for construction variation orders costs.

<sup>e</sup> P35 value derived from the Monte Carlo simulation, as described in section IV, Risk management.

<sup>f</sup> \$253,600 for the continuation of the project team positions until July 2024.

## Annex II

## Evolution of resources in cost plans

(Thousands of United States dollars)

	<i>Original cost estimate as reported in A/71/333 2016/7</i>	<i>Original cost estimate as reported in A/72/338 2017</i>	<i>Original cost estimate as reported in A/73/327 2018</i>	<i>Original cost estimate as reported in A/74/317 2019</i>	<i>Revised cost estimate as reported in A/75/235 2020</i>	<i>Revised cost estimate as reported in A/76/313 2021</i>	<i>Revised cost estimate as reported in A/77/313 2022</i>	<i>Current report A/78/346 2023</i>
<b>Section 33, Construction, alteration, improvement and major maintenance</b>								
1. Construction costs								
1.1 Building costs	18 284.8	18 284.8	20 358.0	20 358.0	20 358.0	20 353.8	20 823.3	25 638.1
1.2 Swing space costs	6 531.0	6 531.0	4 268.0	4 268.0	4 268.0	4 272.3	4 304.6	4 290.9
1.3 Physical security system	Incl in 1.2	Incl in 1.2	190.0	190.0	190.0	190.0	190.0	190.0
2. Professional services								
2.1 Lead consultancy firm	1 167.1	1 890.4	2 522.8	2 522.8	1 795.6	1 765.6	1 765.6	1 765.6
2.2 Seismic design	200.0	98.2	134.4	134.4	134.4	134.4	134.4	134.4
2.3 Office space design	—	—	—	—	—	—	—	—
2.4 Risk management	233.4	233.1	233.2	240.7	240.7	240.7	183.1	185.5
2.5 Other services	769.5	148.5	349.7	342.2	1 069.5	2 269.9	2 408.3	2 860.0
3. Escalation	4 759.7	4 759.7	3 889.1	3 889.1	3 889.1	3 889.0	3 484.2	—
4. Contingency	3 194.6	3 194.5	3 194.5	3 194.5	3 002.2	1 515.5	1 051.0	—
5. P35 Contingency (Monte Carlo 2023)	—	—	—	—	—	—	—	267.6
<b>Subtotal, section 33</b>	<b>35 140.1</b>	<b>35 140.5</b>	<b>35 139.7</b>	<b>35 139.7</b>	<b>34 947.5</b>	<b>34 631.1</b>	<b>34 344.5</b>	<b>35 332.2</b>
<b>Section 19, Project management</b>								
6. Project management								
6.1 Dedicated project management/support team	4 506.7	4 458.4	4 437.2	4 426.6	4 611.8	4 801.6	5 113.7	5 341.0
6.2 Dedicated Coordinator at headquarters	372.3	395.1	403.8	403.8	421.4	548.0	526.1	552.4
6.3 Consultancies/expertise	—	—	24.8	38.3	48.9	—	—	—
6.4 Travel of project management team	—	—	—	—	38.3	38.3	34.7	34.7
<b>Subtotal section 19</b>	<b>4 879.0</b>	<b>4 878.9</b>	<b>4 879.3</b>	<b>4 879.3</b>	<b>5 071.5</b>	<b>5 387.9</b>	<b>5 674.5</b>	<b>5 928.1</b>
<b>Total</b>	<b>40 019.0</b>	<b>40 019.2</b>	<b>40 019.0</b>	<b>40 019.1</b>	<b>40 019.0</b>	<b>40 019.0</b>	<b>40 019.0</b>	<b>41 260.4</b>

## Annex III

## A. Monthly expenditure from project inception to 31 July 2023

(Thousands of United States dollars)

<i>Year</i>	<i>Expenditure category</i>	<i>Jan.</i>	<i>Feb.</i>	<i>Mar.</i>	<i>Apr.</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>Aug.</i>	<i>Sept.</i>	<i>Oct.</i>	<i>Nov.</i>	<i>Dec.</i>	<i>Category total</i>	<i>Annual total</i>	<i>Total expenditure 2017 to July 2023</i>
2017	Construction cost (section 33)	–	–	–	–	–	–	–	–	–	–	–	–	–		
	Professional services (section 33)	–	–	–	16.9	51.3	18.1	91.6	0.2	105.2		1.4	177.4	462.1	975.7	
	Project management (section 19)	23.8	26.4	26.5	26.5	41.5	47.4	58.4	36.7	63.8	37.5	43.5	81.6	513.6		
2018	Construction cost (section 33)	–	–	–	–	–	–	–	–	–	–	–	–	–		
	Professional services (section 33)	–	–	0.6	7.5	556.1	6.1	–	–	634.8	–	–	225.7	1 430.8	2 180.3	
	Project management (section 19)	44.9	46.5	47.0	58.6	67.0	58.6	75.7	77.7	57.3	60.0	57.1	99.1	749.5		
2019	Construction cost (section 33)	–	–	1 057.9	–	–	3.7	–	1.9	6.1	5.7	458.9	1.4	1 535.6		
	Professional services (section 33)	47.0	76.8	–	0.2	30.0	15.4	7.0	101.3	0.1	14.8	1.4	2.3	296.3	2 762.2	
	Project management (section 19)	36.7	60.8	81.9	71.7	114.6	75.2	72.2	60.5	106.0	78.7	77.5	94.4	930.2		
2020	Construction cost (section 33)	–	–	–	45.1	2.9	23.5	7.1	59.6	403.8	440.0	5.1	12.5	999.6		
	Professional services (section 33)	79.0	40.3	2.2	–	37.6	154.3	–	–	1.8	19.3	8.5	6.8	349.8	2 358.7	24 924.2
	Project management (section 19)	79.7	96.9	70.7	76.7	92.1	86.2	115.1	81.4	76.6	82.0	72.2	79.7	1 009.3		
2021	Construction cost (section 33)	–	–	–	–	19.1	–	–	52.9	200.9	(15.1)	2 659.2	75.1	2 992.1		
	Professional services (section 33)	26.4	7.8	7.5	–	16.8	7.5	–	14.1	41.4	(3.0)	39.4	14.6	172.7	4 030.1	
	Project management (section 19)	64.9	65.5	66.0	65.3	65.4	65.3	55.4	101.1	69.5	57.5	77.5	111.9	865.3		
2022	Construction cost (section 33)	1.2	4.4	(4.2)	41.6	4 330.3	(33.3)	(83.3)	5 284.8	1.1	0.0	307.9	224.0	10 074.5		
	Professional services (section 33)	69.3	145.9	(1.6)	(0.5)	396.5	47.9	0.0	108.6	11.1	0.0	44.2	0.0	821.4	11 535.9	
	Project management (section 19)	47.5	58.1	83.0	51.5	48.5	50.4	56.0	75.5	38.7	38.8	48.9	43.2	640.0		
2023	Construction cost (section 33)	19.8	0.0	0.0	58.9	49.2	0.0	74.4	–	–	–	–	–	202.5		
	Professional services (section 33)	46.5	250.6	0.0	2.6	222.1	0.0	32.3	–	–	–	–	–	554.0	1 081.5	
	Project management (section 19)	47.1	47.1	47.0	47.2	43.8	48.7	44.2	–	–	–	–	–	325.0		

**B. Total project expenditure by category as at 31 July 2023**

<i>Category</i>	<i>Expenditure (thousands of United States dollars)</i>
Construction cost (section 33)	15 804.3
Professional services (section 33)	4 086.9
Project management (section 19)	5 033.0
<b>Total</b>	<b>24 924.2</b>

## Annex IV

# Use of the escalation and contingency provision (spent and earmarked)

(Thousands of United States dollars)

	<i>A/75/235</i>	<i>A/76/313</i>	<i>A/77/330</i>	<i>Current report</i>	<i>Total</i>
<b>Approved escalation provision</b>	–	–	–	–	<b>3 889.1</b>
<b>Drawdowns</b>					
1. Portion of construction cost	–	(0.1)	(404.8)	(3 484.2)	(3 889.1)
<b>Escalation available balance</b>	–	–	–	–	<b>0.0</b>
<b>Approved contingency provision</b>	–	–	–	–	<b>3 194.0</b>
<b>Drawdowns</b>					
1. Project management budget shortfalls	(192.0)	(316.0)	(286.6)	–	(794.6)
2. Professional services shortfalls	–	(1 170.4)	(80.8)	–	(1 251.2)
3. Construction cost variations	–	–	(97.2)	(1 051.0)	(1 148.2)
<b>Total approved contingency balance</b>	–	–	–	–	<b>0.0</b>
P35 contingency budget (Monte Carlo 2023) <sup>a</sup>	–	–	–	267.6	267.6
<b>Total available contingency budget</b>	–	–	–	–	<b>267.6</b>

<sup>a</sup> The updated project cost plan reflects a cost confidence of 35 per cent (P35). It is intentionally lower than the P80 target value, given that ESCAP, in consultation with the Office of Legal Affairs (OLA), is currently reviewing contractual options available to close the P80-gap.