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Held at Headquarters, New York, on Wednesday, 1 November 2017, at 10 a.m.

Chair: Ms. Grinberga (Vice-Chair) (Latvia)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Ruiz Massieu

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In the absence of Mr. Tommo Monthe (Cameroon), Ms. Grinberga (Latvia), Vice-Chair, took the Chair.

The meeting was called to order at 10.10 a.m.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (continued)

Construction and property management
([A/72/7/Add.6](#), [A/72/338](#) and [A/72/338/Corr.1](#))

1. **Mr. Carey** (Office of Central Support Services), introducing the Secretary-General's 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 ([A/72/338](#) and [A/72/338/Corr.1](#)), said that the report had been prepared pursuant to section IV of General Assembly resolution [71/272](#). Following its approval by the Assembly in 2016, the project was on track, with construction estimated to be completed in 2023 within the overall estimated maximum cost of \$40,019,000, with minor revisions to the overall cost plan.

2. During the reporting period, the project team had completed or nearly completed all of the planning activities identified in section VI the Secretary-General's previous report ([A/71/333](#) and [A/71/333/Corr.1](#)), including finalization of the project governance structure; establishment of a stakeholders committee to assist the Executive Secretary of ESCAP and the Director of Administration to proactively manage the project; recruitment of a dedicated project management team; and hiring of the lead consulting architect. Emphasis had been placed on achieving the key project objectives, including ensuring compliance with life safety regulations and building codes; removing hazardous materials from facilities; guaranteeing accessibility for persons with disabilities; optimizing the use of available interior spaces by ensuring their flexibility and functionality; and maintaining business continuity, one of the priorities identified in the strategic capital review, the long-term capital programme recognized by the General Assembly in its resolution [68/247 B](#).

3. The Executive Secretary of ESCAP had expeditiously established the governance mechanism for the project, which included the stakeholders committee and an administrative arrangement for the implementation of the project between the Office of Central Support Services and ESCAP. The Office of Internal Oversight Services had conducted its first audit of the project in March and April of 2017, in which it had indicated that the project was advancing

satisfactorily and that adequate steps were being taken to address potential risks.

4. The lead consulting architect and the project coordinator at Headquarters had been brought on board in early October 2017, and the contract with the independent risk management firm commissioned to provide advice on the establishment of a project-specific risk management framework would be signed imminently. The project executive ensured that the risk register for the project was regularly reviewed and that mitigation measures were promptly planned and implemented, as necessary. With regard to change management initiatives, the ESCAP team was preparing a preliminary pilot project for implementing flexible workplace strategies and planned to conduct a space utilization study similar to those that had been carried out at other duty stations. The team was also further developing the project design to ensure greater sustainability and improve accessibility for persons with disabilities.

5. Significant efforts had been made to incorporate local knowledge and lessons learned, in particular the expertise of the Council of Engineers of Thailand with regard to local requirements and best practices, which had greatly facilitated the development of the seismic design and was informing the planning phase of the project. The Secretary-General recommended that the General Assembly take note of his report ([A/72/338](#) and [A/72/338/Corr.1](#)) and the revised project cost plan; approve the establishment of two temporary positions for the project management team; and appropriate an amount of \$4,116,857 for the project for 2018. The appropriation would cover primarily the construction of swing space, as well as the use of design services and project management costs, and was in line with the projected amount indicated in the Secretary-General's previous report ([A/71/333](#) and [A/71/333/Corr.1](#)).

6. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee ([A/72/7/Add.6](#)), said that the Advisory Committee welcomed the host country's offer to provide swing space to temporarily accommodate United Nations staff during project implementation, and expected that the Secretary-General would continue his discussions on swing space options with the host Government.

7. In the proposed project schedule for the post-July 2017 period, the tendering phase had been revised to start three months later than originally projected, while the construction phase had been shortened, resulting in the same overall duration. The Advisory Committee

emphasized the importance of adhering to the project schedule in order to ensure the timely completion of the project within the approved cost plan.

8. Within the project team, the Secretary-General had proposed to change the Logistics and Coordination Officer (National Officer) position to Architect and Space Planner (P-3) in order to ensure that the incumbent had the expertise needed to liaise with internal and external tenants and carry out space planning and programming activities. As there was already capacity to perform those functions within the project team and the Office of Central Support Services, the Advisory Committee recommended against the proposed change.

9. With regard to the proposed expenditures for 2017, the Secretary-General indicated that resources would no longer be needed for third-party peer review consultancy and optimized office space design services, as the required work would be included within the scope of the contract for the lead consultant firm. The resources for those items had instead been used to cover costs related to the project quality assurance system and an accessibility review of the ESCAP premises. As it should have been known that the contract for the lead consultant firm would cover the required services, the unused balance from the two items should have been reflected as savings. The Advisory Committee therefore recommended a reduction in the amount of \$82,500 to the overall project cost plan.

10. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the consideration of capital projects at United Nations duty stations. The Organization must continue to ensure the health and safety of staff and visitors at all of its locations in order to enhance the effectiveness and efficiency of its operations and the participation of Member States, as well as to avoid potential loss of life and property damage.

11. The Group appreciated the support provided by the Government and people of Thailand to ESCAP and other multilateral bodies in the region and expected that the discussions with the host Government on off-site swing space options would yield a positive outcome. In that regard, the Group trusted that the ongoing study on swing space requirements would include a cost-benefit analysis of off-site and on-site options and an assessment of their operational feasibility. The Group also welcomed the host Government's efforts to liaise with local entities and its in-kind contributions to the project. The Secretary-General should continue to promote collaboration between the Organization and the

host country throughout the implementation process and to solicit voluntary contributions from Member States.

12. As accessibility was a fundamental component of all United Nations capital projects, the project team must complete its compound-wide accessibility assessment as a matter of priority, while ensuring consistency with international best practices and General Assembly resolution 70/170. Greater consideration should be given to staff welfare and productivity in the context of implementing flexible workplace strategies, and stakeholder feedback and local context should be taken into account as the initiative progressed beyond the pilot phase. Local materials and construction techniques should also be used in the interest of cost efficiency. In addition, the Group highlighted the importance of energy efficiency and environmental awareness during project planning and implementation and expected that the Secretary-General would report on progress made in that regard.

13. With regard to project management, the Group took note of the efforts made to achieve efficiencies, in particular the decision to divide the costs for the new Project Coordinator (P-4) position, to be located in the Office of Central Support Services, between the budgets for the ESCAP project and for the Africa Hall renovation project at the Economic Commission for Africa. The Secretary-General should continue to pursue such cost-saving synergies in order to ensure optimal use of resources. ESCAP must also continue to build on its extensive outreach efforts to recruit qualified female candidates for the project team.

14. Given the importance of adherence to the project schedule for ensuring timely completion of the project within the approved cost plan, the Group expected that the contract negotiations with the recommended bidders for the lead consultant firm and the independent risk management firm would be finalized expeditiously. In addition, the Secretary-General's next progress report should include information on the methodology used to determine the project schedule, including detailed explanations for any revisions to the schedule.

15. In the future, every effort must be made to ensure accurate budget planning and management for the project. In that regard, the Secretary-General should provide, in his next progress report, a refined estimation of project contingencies based on the risks identified in connection with the different phases of the project and should present estimated contingencies separately from the base project cost. Lastly, close mutual guidance and coordination between the Secretariat, including the Office of Central Support Services, and ESCAP, with

clear reporting lines, were essential to ensuring strong project governance and oversight.

16. **Ms. Andamo** (Thailand) said that priority must be given to health and safety issues in the context of the construction projects at the various United Nations regional commissions. Her delegation supported the implementation of the seismic mitigation retrofit and life-cycle replacements project at ESCAP, while stressing the importance of a cost-effective approach.

17. During the reporting period, the Ministry of Foreign Affairs of Thailand had organized an inter-agency meeting to facilitate coordination between ESCAP and the relevant Thai authorities; provided information on rules and regulations relating to the project; supported ESCAP in liaising with local entities to learn about best practices in seismic retrofitting and construction management in Thailand; and proposed swing space options to temporarily accommodate staff. Her Government was pleased with the progress made on the project and hoped that the study on swing space requirements, as well as the design and construction methodology being developed by the lead consultant firm, would be completed in due course. Meanwhile, the Ministry of Foreign Affairs stood ready to work closely with ESCAP as it developed its swing space strategy in conjunction with the lead consultant firm.

18. The Government of Thailand would continue to collaborate with ESCAP throughout the project planning and implementation phases. In line with General Assembly resolution [71/272](#), efforts should be made to draw on local knowledge, materials and in-house capacity, as well as lessons learned and best practices from other capital projects, including the successful renovation and seismic retrofit to the Office of the United Nations Educational, Scientific and Cultural Organization in Bangkok.

19. Strong governance, oversight, cost-effectiveness, transparency and accountability would be critical for ensuring the successful management and implementation of the project and were consistent with the principles underpinning the Secretary-General's management reform initiatives. To that end, close coordination between the Secretariat, including the Office of Central Support Services, and ESCAP must be guaranteed in order to ensure timely and accurate reporting, budget planning and management.

The meeting rose at 10.30 a.m.