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## Fifth Committee

### Summary record of the 12th meeting

Held at Headquarters, New York, on Monday, 25 November 2019, at 10 a.m.

*Chair:* Mr. Mavroyiannis..... (Cyprus)  
*Chair of the Advisory Committee on Administrative  
and Budgetary Questions:* Mr. Terzi

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*This meeting was called to order at 10.05 a.m.*

**Agenda item 135: Proposed programme budget for 2020 (continued)**

*Strategic heritage plan of the United Nations Office at Geneva (A/74/7/Add.13 and A/74/452)*

1. **Mr. Guazo** (Office of Programme Planning, Finance and Budget), introducing the sixth annual progress report of the Secretary-General on the strategic heritage plan of the United Nations Office at Geneva (A/74/452), said that, during the reporting period, significant progress had been made, including on the construction of the new permanent building H, which had reached roof level, and on the installation of its glass façade. The contract for the renovation of the historic buildings had been signed on 15 November 2019, and the detailed design for 1970s building E was complete.

2. The delivery date originally envisaged for the first floors of building H had been extended by 10 weeks without affecting the overall programme schedule. The start of the renovation work had been delayed as a result of the addition to the contract schedule for the 1930s historic buildings of a six-month pre-construction services phase. That adaptation had enabled the United Nations to secure high-quality competitive bids, despite market concerns over the risk of the contract owing to the age of the buildings, the heritage features, the scale of the works and the fact that the United Nations Office at Geneva would remain operational throughout the work. Mitigation measures would be taken to accelerate the completion of the subsequent phases of the work, although the full renovation was now projected to be completed in the middle of 2024.

3. The report contained an update on project financing, costs and expenditure. The Secretary-General had recommended that the General Assembly decide on the scheme of appropriation and assessment for the project, including for repayment of the loan from the host country starting in 2020, and on the currency of appropriation and assessment, in order to provide certainty with regard to financing, given that the value of the major contracts under the project exceeded the amount of the interest-free loan package provided by the host State.

4. Contingency management continued to be informed by the probabilistic quantitative risk assessment methodology used for the project. According to that methodology, the total budget required to achieve the “P80” benchmark assigned to United Nations construction projects, characterized by a level of confidence of 80 per cent that the project would be completed within budget, was SwF 33.6 million, or 4.0 per cent, higher than the approved budget. Although that projection gave cause for

concern, the situation had begun to improve since the appointment of the general contractor for the renovation work. Mitigation action was being taken, and the Secretary-General remained confident that the project could be completed within the approved budget.

5. An estimated gross income of between SwF 80 million and SwF 133 million could realistically be achieved through the long-term leasing of United Nations-owned land. That income, minus the preparatory and realization costs required to achieve it, would be returned to Member States under income section 2 of the programme budget over the next 90 to 100 years. The General Assembly was requested to endorse the implementation of the valorization strategy outlined in the Secretary-General’s report (A/74/452); authorize the expenditure on the preparatory works necessary to realize the maximum possible long-term revenue stream; and note that future progress on the valorization of United Nations land in Geneva would be reported under income section 2 of the programme budget. The General Assembly had provided clear and consistent support for the project; the recommended actions set out in the report (A/74/452) would enable the project to continue as planned.

6. **Mr. Terzi** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/74/7/Add.13), said that the Advisory Committee noted the progress made in carrying out some of the project activities, including the full incorporation of flexible workplace strategies in building H, the completion of the technical design work and the launch of the tender for the renovation of the historic buildings. The Advisory Committee was nevertheless concerned at the delays, projected increased costs and corresponding decrease in the estimated resources available for contingency, and risks to the project schedule and cost plan indicated in the Secretary-General’s report (A/74/452). The Advisory Committee therefore recommended that the General Assembly request the Secretary-General to ensure that all possible mitigation measures were taken to complete the project within approved resources.

7. With regard to the target of reducing the energy consumption of the Palais des Nations by at least 25 per cent compared with the 2010 baseline, the Advisory Committee recommended that the General Assembly request the Secretary-General to provide further information on the updated target and calculation methodology in his next progress report. Sound and reliable baseline data on energy consumption and costs needed to be gathered in order to measure actual improvements after the completion of the project.

8. The Advisory Committee recommended that the General Assembly take a decision on the scheme and currency of appropriation and assessment, and on the establishment of a multi-year special account. It also recommended that the Assembly request the Secretary-General to provide, in his next progress report, further information on the potential donation and framework agreement for the financing and construction of a new visitors' centre at the Palais des Nations.

9. The valorization strategy, as set out in the Secretary-General's report (A/74/452), lacked clarity and did not provide adequate information for the General Assembly to take decisions. In view of the scope, duration and resource requirements for the envisaged preparatory works, the Advisory Committee recommended that the Assembly request the Secretary-General to include a detailed plan for the valorization of United Nations-owned land in his next progress report.

10. **Mr. Katkhuda** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China, said that the Group welcomed the Secretary-General's report (A/74/452). It also welcomed the voluntary contributions from Governments, including that of China, and encouraged the Secretary-General to strengthen his efforts to solicit contributions from other Member States to projects under the strategic heritage plan.

11. The Group noted the progress made in achieving project milestones in the areas of design, procurement and construction. Although the adjustment of the contracting strategy to include a pre-construction services phase had resulted in a reduction in execution risk, it had led to a six-month delay in the contract schedule, with related cost implications. Close monitoring, rigorous project management, effective internal controls and comprehensive risk mitigation measures were therefore essential to ensuring the completion of the construction in a timely manner and within approved resources. Best practices identified from other construction projects should also be applied.

12. Noting that variations to the contract for the construction of building H, including instructions to fully incorporate flexible workplace strategies, had been finalized, and noting the resulting upward revision by SwF 4.9 million in the cost estimate for the construction of the new building compared to the cost estimate given in the previous reporting period, the Group took the view that flexible workplace strategies and other variations should be implemented with due regard for the cost-effectiveness and timely completion of the project.

13. Noting that one of the highest risks of the project was the possible need for temporary facilities for specific United Nations services in order to ensure

business continuity, the Group requested that the costs of any temporary conference facility built for that purpose be contained within the approved budget. The Group also noted the efforts of the United Nations Office at Geneva to promote sustainability and reduce energy consumption, including by designing building H to perform at a level equivalent to the internationally-recognized Leadership in Energy and Environmental Design Gold certification standard. In addition, the Group looked forward to receiving updates on progress made on the objective to reduce the energy consumption of the Palais des Nations by at least 25 per cent, compared with the 2010 baseline.

14. In its resolution 73/279 A, the General Assembly had decided to revert to the questions of the establishment of an assessment scheme and the currency of appropriation and assessment at the main parts of its seventy-fourth session. Considering the project's size and complexity, the time had come for the Assembly to take a decision on that long-standing issue.

15. While the Group appreciated the merits of the valorization strategy, it recalled that the Advisory Committee had recommended the separation of valorization income from the strategic heritage plan, as valorization was not related to the nature of the construction project. Hence, in its resolutions 72/262 A and 73/279 A, the General Assembly had decided that income from the valorization of United Nations-owned land in Geneva would be reflected under income section 2 of the programme budget. The Group noted that future progress on the valorization of such land would be reported under that section. Lastly, the recommendations of the Board of Auditors on the projected should be implemented fully and expeditiously.

16. **Mr. De Preter** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, North Macedonia, Serbia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Georgia, the Republic of Moldova and Ukraine, said that the States members of the European Union had consistently recognized the need to refurbish the Palais des Nations in order to address structural deficiencies and carry out necessary renovations. As the project approached the midpoint of its planned duration, the European Union welcomed the progress made, inter alia in enhancing the accessibility of the Palais des Nations, implementing flexible workplace strategies, promoting sustainability and reducing energy consumption.

17. The strategic heritage plan provided an opportunity to ensure that all buildings on the Palais des Nations campus met the needs of the future. The

European Union thus looked forward to discussing the next stages of the project, taking into account the comments of the Advisory Committee. His delegation was concerned at the delay in the project's scheduled completion date until 2024, the increase in costs and the decrease in contingency provisions. To mitigate cost slippage and reduce the risk to Member State assessments, the European Union would investigate alternative funding mechanisms, seek to generate additional rental income from the hosting of other United Nations entities in the renovated buildings, and hold the Secretariat accountable for carrying out the valorization strategy as planned.

18. Good governance, internal oversight and independent external control mechanisms were required to ensure that the project proceeded according to schedule and within budget. The European Union encouraged the full and expeditious implementation of the Board of Auditors' recommendations, as well as the establishment of measures to mitigate cost increases and reduce further risks.

19. **Ms. Norman-Chalet** (United States of America) said that transparency and good governance must underpin Member States' decision-making on the financing of the plan, including efforts to reduce the financial burden on States by identifying alternative funding options. In order to contain costs, any revenue from the lease of United Nations property in Geneva should be applied to the plan. The United States noted the views and recommendations of the Board of Auditors regarding the project timeline and risk management, including its expression of low confidence that the project would be completed within budget. Her delegation looked forward to learning more, in the Secretary-General's next progress report, about the mitigation measures taken to ensure that the project was completed within budget.

20. The United States also looked forward to discussing governance, risk management, space utilization, accessibility, staff welfare and productivity during the transition and implementation phases of the project, and financing arrangements in order to ensure that Member States continued to direct the plan.

21. In its resolution [70/248 A](#), the General Assembly had established a mandate to implement flexible workplace strategies as part of the strategic heritage plan, and her delegation was pleased that building H would be a flexible workplace environment during the transition period and during its final occupancy. The United States also welcomed the efforts of the United Nations Office at Geneva and the Office of Central Support Services to use space as efficiently as possible, and looked forward to

learning more about the plans of the Secretary-General and the strategic heritage plan team to identify ways of modernizing the Palais des Nations to provide a more modern, flexible workplace with increased capacity. The resources dedicated to the plan should be transparently and effectively managed, and the project should be completed on time and within budget.

22. **Mr. Velázquez Castillo** (Mexico) said that the United Nations had embarked on a process of change and would need to maximize efficiency in all areas of work and all offices. The strategic heritage plan involved the dual challenge of preserving the historic Palais des Nations buildings and providing the capabilities required for the optimal functioning of the United Nations Office at Geneva, endeavours that necessitated a commitment to improving efficiency, inclusivity and environmental sustainability, as well as respect for the Organization's guidelines on safety, accessibility and innovation.

23. While recognizing the considerable progress made, Mexico agreed with the Advisory Committee on the need to address the risks associated with the plan through effective management and coordination in order to ensure compliance with the timelines and amounts approved in the schedule of works. Mexico also welcomed the implementation of flexible workplace strategies, as they reflected the modernization of working practices and smart working systems. In addition, it welcomed the equitable assignment of workspace and greater use of information technology to promote modern, dynamic and efficient management. Accessibility for persons with disabilities and the sustainable use of energy must also be ensured. While the consistent support of the Government of Switzerland had been instrumental in the progress achieved thus far, funding commitments for the project must be upheld. The Fifth Committee must therefore reach an agreement on the scheme and currency of appropriation and assessment at the current session.

24. **Mr. Lauber** (Switzerland), noting that the phased handover and occupation of the completed floors of building H were expected to begin in spring 2020, commended the Secretary-General, the United Nations Office at Geneva and the strategic heritage plan team for the progress made.

25. Switzerland noted the slight delay in the project's scheduled completion date as a result of a necessary adaptation to the contracting strategy for the renovation of the historic buildings, which would lead to a welcome reduction in execution risk. His delegation also welcomed the planned construction of temporary infrastructure to ensure the continuity of conference activities throughout the period of the renovation work.

However, as the Organization entered into increasingly longer-term contracts for that work, Member States must address the continued uncertainty with regard to the financing arrangements for the project, and the Secretary-General must ensure its implementation within the maximum budget, scope and schedule approved by Member States.

26. The strategic heritage plan represented an important investment in an effective and sustainable Organization, underpinned by respect for people, the environment and financial resources. Productivity, well-being and efficiency would be improved as a result of the modernization of obsolete infrastructure, and barriers faced by persons with disabilities would be removed.

27. As the host country, Switzerland was supporting the strategic heritage plan through a zero-interest loan of SwF 400 million. By 13 December 2019, over half of the portion of the loan reserved for the construction work was projected to be disbursed, and the 50-year repayment of that portion would begin in 2020, the first year of occupancy of the new building. He thanked Member States for their commitment to taking decisions, during the upcoming negotiations, to repay the loan to Switzerland in full and on time.

#### **Agenda item 140: Human resources management** (continued) (A/74/64 and A/74/558)

28. **Ms. Thanabalasingam** (Office of Human Resources), introducing on behalf of the Assistant Secretary-General for Human Resources the report of the Secretary-General on the practice of the Secretary-General in disciplinary matters and cases of possible criminal behaviour for the period from 1 January to 31 December 2018 (A/74/64), said that the report provided an overview of the administrative framework governing disciplinary matters, including the administrative instruction on unsatisfactory conduct, investigations and the disciplinary process (ST/AI/2017/1). The report also contained summaries of the cases in which disciplinary measures had been imposed, setting out the considerations taken into account by the Secretary-General Organization charts I. Care had been taken to ensure that the information provided did not breach the right to confidentiality of the staff members involved.

29. In addition, the report contained statistics on the number and types of cases received by the Office of Human Resources Management, the number of cases completed and the disposition of those cases. The report also included information on the length of time taken to dispose of cases, by reference to the investigating entity; on the number of cases of sexual harassment and sexual exploitation and abuse received and disposed of in the present and four previous annual reporting periods; and on the outcome of appeals contesting disciplinary measures imposed since the introduction, in 2009, of the new

internal justice system. Moreover, the report contained information on the number of cases of proven misconduct or criminal behaviour that had been referred to Member States. While equality of treatment and consistency were key considerations in determining appropriate disciplinary measures, each case was decided on its own merits, taking into account the particulars of the case, including any aggravating or mitigating circumstances.

30. **Mr. Terzi** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/74/558), said that the Advisory Committee recommended that the General Assembly encourage entities investigating alleged misconduct to expedite the disposition of cases. The Advisory Committee also trusted that efforts would be made to reduce the backlog of appeals against disciplinary sanctions, which had doubled since 2015, and recommended that the General Assembly request the Secretary-General to provide information thereon in his next report.

31. The Advisory Committee noted the efforts made to strengthen accountability in different areas related to conduct, including the update of policy guidance and ongoing enhancements to investigation capacities. It trusted that efforts would continue to improve awareness and promptly investigate and address allegations in order to ensure accountability in cases of substantiated misconduct.

32. **Mr. Katkhuda** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China, said that human resources management was a priority for the Group. It was therefore a matter of concern that the reports under the related agenda item still had not been issued, impeding the work of the Fifth Committee.

33. The fulfilment of the Organization's mandates depended on the quality of its staff, the availability of resources, and a work environment that was fair, transparent, accountable and responsive to the needs of Member States. To that end, a reliable disciplinary framework was essential. The Group reaffirmed the provisions of General Assembly resolution 59/287 and requested that the Secretary-General continue to report on an annual basis on action taken in cases of proven misconduct and criminal behaviour.

34. The doubling of the backlog of appeals against disciplinary sanctions since 2015 was a matter of concern that should be addressed expeditiously. The Group welcomed the efforts made to strengthen accountability in different areas related to conduct, including the update of policy guidance and ongoing enhancements to investigation capacities, and trusted that efforts would continue to improve awareness and promptly investigate and address allegations in order to ensure accountability in cases of substantiated misconduct.

*The meeting rose at 10.45 a.m.*