



General Assembly

Distr.: General
26 February 2021

Original: English

Seventy-fifth session

Agenda item 141

Programme budget for 2021

Addressing the deteriorating conditions and limited capacity of the conference services facilities at the United Nations Office at Nairobi

Thirty-eighth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2021

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on addressing the deteriorating conditions and limited capacity of the conference services facilities at the United Nations Office at Nairobi ([A/75/716](#)). During its consideration of the reports, the Committee met online with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses dated 23 February 2021.

2. The report of the Secretary-General is submitted pursuant to General Assembly resolution [74/263](#) (sect. XIV), wherein the Assembly requested the Secretary-General to conduct a needs assessment and explore options that maximize efficiency and cost-effectiveness, taking into consideration the future needs of the conference facilities of the United Nations Office at Nairobi, and to submit a report to the Assembly at its seventy-fifth session. The Assembly also appropriated an amount of \$470,000 under section 29G, Administration, Nairobi, of the programme budget for 2020 for multidisciplinary consultancy services to conduct a detailed needs assessment and expanded options analysis.

II. Conference facilities at the United Nations Office at Nairobi

3. The Advisory Committee recalls that, in his previous report ([A/74/471](#)), the Secretary-General submitted his initial proposal pursuant to paragraph 29 of General Assembly resolution [73/270](#) on the pattern of conferences, in which the Assembly requested the Secretary-General to provide detailed information regarding the



possible renovation work aimed at addressing the deteriorating conditions and the limited capacity of the conference services facility at the United Nations Office at Nairobi.

4. The Secretary-General indicates that the objective of the project is to meet the current and future conferencing needs and address foreseeable conferencing requirements over the next 25 to 30 years, bringing the United Nations Office at Nairobi up to par with New York Headquarters, the United Nations Office at Geneva and the United Nations Office at Vienna as an exemplary conference and committee centre at which to forge key multilateral action, as well as address the risks posed by an ageing building nearing the end of its design life. The report also indicates that, in addition to serving the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat), a fully functional conference centre at the United Nations Office at Nairobi is intended to support the programmatic objectives, overall mandates and communications strategies of the many other humanitarian, development and peacebuilding entities operating in, and from, Nairobi ([A/75/716](#), paras. 6 and 7).

5. The report of the Secretary-General indicates that the United Nations Office at Nairobi hired a professional services firm specialized in the international conferencing and events industry to undertake the needs analysis, which included an analysis of modern conferencing trends, such as remote access, hybrid conferencing modalities and sustainable events, and to further expand on the options analysis conducted in 2019 (*ibid.*, summary and para. 4). Two scalable options for renovation and construction (options A and B) are proposed in the report, which would meet the immediate and projected additional capacity requirements of the conference facilities at the Office (see part III below).

Needs assessment

6. The report details the conditions of the conference facilities at the United Nations Office at Nairobi in paragraphs 8 to 10 and provides a design life assessment of the current conference facilities as at 31 December 2020, including the following: annual conferencing utilization is projected to exceed the physical available space in the next five years; inability to meet existing and projected peak spatial demands placed on the facility during mandated United Nations Environment Assembly and UN-Habitat Assembly events; outdated conference services infrastructure; inaccessibility; and security, safety and health issues (*ibid.*, para. 13 and table 1).

Conferencing capacity

7. The report further indicates that the participation in and complexity of hosting the Environment Assembly have increased at every session, with the number of accredited participants surpassing 5,000 at its fourth session in March 2019, and are expected to continue to grow. During the Environment Assembly, over 150 meetings were held in a period of five days in the 12 available formal meeting rooms, while 109 were held in temporary structures or other spaces adapted as meeting rooms. The inaugural UN-Habitat Assembly held in May 2019 also surpassed 4,000 accredited participants, with 116 meetings held in the 12 available formal meeting rooms while 43 were held in temporary structures or other spaces adapted as meeting rooms (*ibid.*, paras. 21–25). Upon enquiry, the Advisory Committee was provided with additional information relating to the demand and periodicity of calendar conferences and meetings for UNEP and UN-Habitat and the number and frequency of the various meeting types, including calendar meetings, thematic-based meetings, workshops and expert group meetings related to the programmatic work of the Organization.

8. The report indicates that organizations that hold events at the United Nations Office at Nairobi are required to provide temporary tented structures to accommodate the significant additional number of attendees and to provide suitable spaces to cater for exhibitions, banquets, panel discussions and public committee events, given that the permanent facilities can currently host approximately 2,400 participants in the plenary, committee and meeting rooms (*ibid.*, paras. 26–29 and table 3; see also para. 7 above). Upon inquiry, the Advisory Committee was informed that alternate venues in Nairobi, including the Kenyatta International Convention Centre, had been assessed, and none had been found to cost-effectively meet the functional existing capacity needs of most United Nations conferencing requirements (including in terms of meeting rooms, offices, technology, accessibility, United Nations security needs and multifunctional spaces). The additional costs of the temporary installation of this capacity would be substantial and the distances between the United Nations complex and these venues would also create a significant and costly complexity in relation to United Nations conferences and other meetings aimed at catalysing and delivering sustainable development.

Potential market

9. The report presents key findings of the events market research conducted into the facilities at the United Nations Office at Nairobi within the meetings and conferences market, the current and future conferencing trends and the potential market constituted of the governing bodies of multilateral environmental agreements, the governing bodies of other environmental conventions and other events (*ibid.*, paras. 30–39). Upon enquiry, the Advisory Committee was informed that the Office had studied the meetings and conferences market in order to evaluate trends in conference technologies, online engagement, formats and participants' experience, which would affect and enhance future United Nations conferences. The Committee was also informed that the attractiveness of venues and destinations had influenced the selection of conference and meeting locations, including in relation to intergovernmental meetings linked to UNEP, UN-Habitat and other United Nations entities. The Office indicated that it did not envisage marketing a United Nations conference facility to private sector and other non-United Nations entities but would consider hosting such meetings and conferences that support United Nations mandates.

10. Upon enquiry, the Advisory Committee was provided with a table (see table 10) and informed that the majority of meetings held at the conference facilities at the United Nations Office at Nairobi were intergovernmental meetings included in the official United Nations calendar, and other intergovernmental meetings not in the official United Nations calendar that facilitated programme delivery of the Nairobi-based United Nations organizations. These were followed by other non-United Nations meetings.

Table 1

United Nations and non-United Nations meetings held at conference facilities at the United Nations Office at Nairobi

(Percentage)

	2018	2019	2020
United Nations meetings	93	85	98
Non-United Nations meetings	7	15	2

11. Upon enquiry, the Advisory Committee was provided with information regarding the use, venues and dates of the conference facilities for activities related to the multilateral environmental agreements from 2000 to 2019. The Committee was informed that, although there was currently no memorandum of understanding, specific commitment or other indication regarding a preference for Nairobi for events, the deteriorating conditions and limited capacity at the conference facilities at the United Nations Office at Nairobi had been deciding factors in preventing some meetings from moving to Nairobi. The Committee was also informed that, if a non-calendar event came to Nairobi it would be on a cost-reimbursable basis compared with incentives offered by those Governments hosting the multilateral environmental agreements in the form of voluntary contributions to offset some of the costs of organizing and hosting a large meeting. The Committee was also provided with information on event organizers who had chosen alternative venues in 2019 owing to the limited capacity and deteriorating conditions at the Office. **The Advisory Committee considers that innovative solutions and competitive cost-reimbursement services need to be taken into consideration in the elaboration of the project, in order to encourage a renewed use of the conference facilities at the United Nations Office at Nairobi for events and activities, including those related to the multilateral environmental agreements.**

Projected operational cost

12. The Secretary-General indicates that the total operational cost to the Organization over the next 30 years, including the projected overhead and investment expenses for temporary facilities and ongoing maintenance, of the conference facility at the United Nations Office at Nairobi is estimated to be approximately \$160 million, without any of the essential accessibility targets, sustainability improvements or life safety upgrades required for a building at the end of its design life. He also indicates that a capital investment would provide for a complete renovation and construction project, after which the maintenance costs would be expected to be minimal. He further indicates that it has not been possible to provide detailed costs at the present stage of the analysis, given the impact of the coronavirus disease (COVID-19) pandemic on on-site assessments and the need to understand the medium- to long-term effects of the pandemic on travel and conferencing before detailed costings can be calculated. Further analysis is also required to determine if alternative funding modalities could be considered (*ibid.*, paras. 40–43).

13. Upon enquiry, the Advisory Committee was provided with a table (see table 2) containing a breakdown of the \$160 million and assuming no major capital expenditure investment in the conference facilities at the United Nations Office at Nairobi during the 30-year time period. The Committee was informed that alternate venues in Nairobi had not been considered in the costing and that, although they had been assessed, none had been found to cost-effectively meet the functional existing capacity needs of most United Nations conferences. Furthermore, the additional costs of a temporary installation of the required capacity would be substantial and the distances between the United Nations complex and those venues would also create a significant and costly complexity in relation to United Nations conferences and other meetings aimed at catalysing and delivering sustainable development. **The Advisory Committee notes that detailed costs were not provided at this stage owing to the impact of the COVID-19 pandemic (see para. 12 above).**

Table 2
Breakdown of estimated cumulative operational expenses (30 years: 2021–2051)

(United States dollars)

<i>Item number</i>	<i>Item description</i>	<i>2021</i>	<i>Estimated cumulative costs 2021 to 2051</i>
1	Equipment maintenance	37 000.00	2 618 149
2	Additional specific facilities maintenance	425 000.00	30 073 336
3	Temporary structures	250 000.00	125 239 230
4	Total costs	712 000.00	157 930 715^a

^a Rounded to \$160 million in the report (A/75/716).

14. Upon enquiry, the Advisory Committee was informed that, as part of the next phase of the project, a further cost benefit analysis could be considered across several aspects and parameters of the project, including longer-term life cycle and maintenance costs and the initial capital investment regarding any sustainability considerations. The Committee was further informed that, in addition to capital costs, a life-cycle costing analysis approach was followed throughout the design and implementation stages of the project, taking into consideration maintenance and replacement, the sustainability of design choices for equipment and systems within the local context and the potential for operational efficiencies (see also para. 20).

15. Upon enquiry, the Advisory Committee was provided with a table (see table 3) representing the ongoing operational running costs over a five-year period, for both facilities and conference equipment-related maintenance, across the entire United Nations complex. The Committee was also informed that no significant capital investment had been made in the conference facilities in the previous five years, with the last major investment carried out over seven years previously, when the interpretation facilities had been refurbished.

Table 3
Maintenance services for the Gigiri complex, including conference facilities

(United States dollars)

<i>Item</i>	<i>Costs</i>
Facilities-related maintenance estimated over five years	12 980 764
Equipment-related maintenance over five years (2015–2020)	1 519 776
Total	14 500 540

Future utilization

16. The report indicates that current projections, based on historical figures and including the COVID-19 decline, show that the conference facilities at the United Nations Office at Nairobi will reach peak utilization of around 70 per cent by 2025. Following this period, the Office will be unable to meet the demands of calendar and non-calendar events while still providing for the servicing and maintenance schedules of the facility, which will become more demanding as the facility deteriorates. The report also indicates that current utilization has been significantly affected by the COVID-19 pandemic, with usage down to 10.7 per cent of capacity in 2020, an 80 per cent reduction from previous years. Conservative estimates, which reflect this anomalous market decline, expect utilization to recover to pre-pandemic rates of

around 55 per cent by mid-2022 and 59.3 per cent by the end of 2022, assuming some gradual return to everyday operational normality in the second half of 2021 (*ibid.*, para. 15). Upon enquiry, the Advisory Committee was provided with the information in tables 4 and 5, indicating the number of events and participants for each duty station and the room utilization rates.

Table 4
Number of events and participants by duty station

	<i>United Nations Office at Nairobi events (sessions)</i>	<i>United Nations Office at Nairobi session participants</i>	<i>Headquarters events (sessions)^a</i>	<i>Headquarters session participants^a</i>	<i>United Nations Office at Geneva events (sessions)</i>	<i>United Nations Office at Geneva session participants</i>	<i>United Nations Office at Vienna events (sessions)</i>	<i>United Nations Office at Vienna session participants</i>
2017	1 495	72 556	..	..	3 589	139 555	1 327	46 921
2018	1 573	56 691	..	..	3 641	138 253	1 562	52 291
2019	1 319	72 750	..	..	3 423	132 116	1 718	56 762

^a Information for Headquarters is not available as the information is not centralized.

Table 5
Annual room utilization for meetings
(Percentage)

	<i>United Nations Office at Nairobi</i>	<i>Headquarters</i>	<i>United Nations Office at Geneva</i>	<i>United Nations Office at Vienna</i>
2017	39.4	96.1	81.9	87.2
2018	54.2	93.0	79.5	82.3
2019	63.6	93.7	77.2	82.5

17. The Advisory Committee was provided with information, upon enquiry, regarding the experience of the United Nations Office at Nairobi in organizing virtual conferences during the pandemic, including rescheduling of planned meetings beyond 2020, monitoring of evolving restrictions for meetings, advising on alternate dates for re-slotting of parliamentary documentation and identifying modified activities to support Member States on issues related to COVID-19. In terms of the impact of the COVID-19 pandemic on future trends in the organization of multilateral events, the Committee was informed that the Office foresaw a rapid return to the pre-pandemic pattern once international travel resumed and that, although Member States had managed to keep the intergovernmental process alive by meeting virtually, negotiations, decision-making and voting would still require physical presence. As a result, expandable meeting spaces, as well as scalable audio-video and internet connectivity technologies, would be an important fixture of future modern conference facilities.

18. Upon enquiry, the Advisory Committee was informed that the United Nations Office at Nairobi did not expect that the COVID-19 pandemic would result in the permanent cessation of in-person meetings and conferences and that further delays to the project would only increase the risks associated with the deterioration of the facility at the Office and the eventual cost of its renovation and expansion. The Committee was informed that the project had been structured to ensure that larger project cost elements (e.g., the pre-construction and procurement phase and the construction phase) did not commence before 2023 and 2024 respectively, which should enable the Office to assess the longer-term implications of the COVID-19 pandemic on conference needs. **The Advisory Committee considers that the full impact of the COVID-19 pandemic on United Nations conferencing services is as**

yet to be determined and trusts that further analysis regarding the impact of the COVID-19 pandemic, including the challenges, lessons learned and related opportunities, such as those experienced in other duty stations, will be provided in the next report (see also para. 25 below).

Sustainability

19. The report indicates that any future project would follow the guidelines emerging from the environmental policy for the United Nations Secretariat (ST/SGB/2019/7) and that, as Nairobi hosts the global headquarters of the environment and human settlements programmes of the United Nations, any new building would have to be a sustainability showcase in the two thematic areas of both organizations (A/75/716, para. 16). Paragraphs 17 to 19 of the report outline the requirements related to designing a low-impact, energy-efficient building, smart design and water systems.

20. Upon enquiry, the Advisory Committee was informed that an environmental impact assessment would be carried out as part of the project pre-design and design phases. The Committee was also informed that an overarching consideration for the design would be to ensure environmental sustainability, with specific attention to the local context, in order to preserve the mature green space present throughout the site. The Committee was also provided with information relating to the key considerations of the design process, including alignment and integration with United Nations Office at Nairobi environmental management system, the introduction of innovative and environmentally sustainable design practices and technologies to reduce emissions and onsite energy generation. **The Advisory Committee trusts that full details regarding the environmental impact of each option and the related energy, operational and environmental efficiencies, as well as the use of local knowledge, local materials, capacity and expertise, will be provided in the next report (see also General Assembly resolution 74/263).**

III. Options for addressing the conditions of the existing facilities and next steps

21. The report expands on the two options presented in the previous report of the Secretary-General (A/74/471). Option A, as detailed in paragraphs 45 and 47 to 50, would meet the immediate and short-term projected capacity requirements for events with up to 7,000 in-person participants, with an estimated project area of around 59,100 m². Option B, for events with up to 9,000 in-person participants with an estimated project area of around 67,700 m², as detailed in paragraphs 45 and 51, would meet the long-term projected capacity requirements, as an expanded, scalable version of option A. Both options would include roads, pathways, landscaping and a new dedicated security building for conference events (A/75/716, para. 46).

22. The Advisory Committee was informed, upon enquiry, that in the next three to five years the number of participants expected to attend meetings, such as the Environment Assemblies, would surpass 7,000 and that the projections remained valid, albeit with an assumed delay of one to two years owing to the current impact of the COVID-19 pandemic. As a result, the participation of 7,000 was still expected by 2025, as the substantive nature of large conferences, multi-stakeholder forums and intergovernmental bodies required negotiation, voting and other forms of direct interaction with other participants. The Committee was informed that it was therefore most likely that virtual meeting participation would allow wider access to major events in the future but would not reduce the need for in-person participation as virtual technologies were expected to complement rather than replace the need for in-person participation.

23. The Advisory Committee was further informed that option A would accommodate only the very near-term needs (2025) of 7,000 participants, while option B would provide for a very realistic growth in demand that could be expected within the next 10 to 15 years (2030 onwards), of up to 9,000 participants. The Committee recalls that the previous report indicated two options of up to 8,000 delegates (option 1) or up to 12,000 delegates (option 2), with both options entailing the complete renovation of the existing facility and new construction, to varying degrees (A/74/471, paras. 74–86). **The Advisory Committee notes the efforts of the United Nations Office at Nairobi to provide options with a revised capacity of 7,000 and 9,000 participants. Nevertheless, the Committee is of the view that options to determine the expected future number of participants should take into consideration adequate capacity and safe, secure and functional accessibility while also ensuring a good rate of utilization of the conferencing facility at the Office. The Committee is of the view that the needs assessment should be further refined in consideration of current and future capacity and other factors, including developments in conferencing services (see also para. 18 above).**

24. The report indicates that Option B is substantially similar to Option A but with the difference of the scale of new construction work and the impact that it would have on the site plan, claiming new ground to the west of the existing conference facilities, and planning in conjunction with the existing project to replace office blocks A–J. The report indicates that the additional construction would include multipurpose halls and assembly areas that would extend the capacity of the site to meet the projected figures for attendance at the UNEP and UN-Habitat peak events in the future. (A/75/716, para. 51, and figure IV). Upon enquiry, the Advisory Committee was informed that the United Nations Environment Assembly and the UN-Habitat Assembly were required to facilitate increasingly complex intergovernmental decision-making that frequently included policymakers from various ministries, local authorities and agencies and that both UNEP and UN-Habitat were tasked with delivering programmes aimed at catalysing and delivering sustainable development with the active engagement of a range of stakeholders. The Committee was further informed that the engagement significantly increased the number of participants who attended these Assemblies, as participants shared best practices, conducted and received training and demonstration activities, built knowledge networks and fostered South-South and North-South cooperation. **The Advisory Committee trusts that further details will be provided on the potential efficiencies and sequencing of the project schedule, taking into consideration the ongoing project to replace office blocks A–J.**

25. In terms of required resources, the Advisory Committee was informed that it was currently not possible to provide complete estimates of the resources necessary for either option, given that a number of elements had yet to be determined or finalized. These include the implementation strategy, inclusive of phasing and schedule considerations, the requisite levels of proposed contingency funding which would be the result of a risk analysis, the overall project governance structure and the proposed project team. The Committee was informed that comprehensive cost estimates, inclusive of a life-cycle costing analysis with local specific maintenance and replacement considerations, would be provided as part of the next report, to be presented at the main part of the seventy-sixth session of the General Assembly. **The Advisory Committee recommends that the General Assembly request the Secretary General to present a comprehensive project assessment with all applicable elements, including estimates of the required resources, anticipated rental income, capacity and sustainability considerations (see paras. 11, 18, 20, 23, 24, 26 and 27). The Committee also recommends that the United Nations Office at Nairobi explore further various funding modalities as part of the cost estimates and project assessment, including through maximizing the cost efficiencies of the proposed two options, and provide an update in the next report.**

Cost recovery

26. The Advisory Committee was informed that to the extent that meetings and conferences, other than those on the United Nations calendar of conferences, were convened at the conference facility at the United Nations Office at Nairobi, they would be charged on a cost-recovery basis. The Committee was informed that hosting the meetings of entities compatible with United Nations objectives and mandates would help optimize the use of the conference facility at the Office during periods of underutilization and that the Office would engage contractually with international non-governmental organizations and scientific and research institutes that had hosted government agreements similar to that of the United Nations. **The Advisory Committee is of the view that, given the absence of commitments regarding the planning and hosting of conference events at the United Nations Office at Nairobi, an update regarding the outreach efforts to potential clients undertaken to date, and planned in the future, is necessary in order to fully assess the potential market interest by United Nations and non-United Nations entities (see also para. 11 above).**

27. Upon enquiry the Advisory Committee was provided with information indicating the potential rentable space of 11,118 m² for Option A and 14,918 m² for Option B. The Committee was informed that all existing space, potential renovated space and any new space to be constructed was considered as potential future rental space and that, with the exception of the approved calendar meetings, all users of the facility would be expected to pay for the space used during an event. The Committee was also informed that no calculation had been made of the potential revenue that could be accrued and that it would be considered as part of the feasibility assessment of possible income-generating activities of the renovated conference facilities. Potential revenue could partially offset initial capital investment and future operating costs (see [A/75/716](#), para. 53 (g)). **The Advisory Committee trusts that detailed information relating to the revenue estimates for the potential options will be provided as part of the feasibility assessment in the next report.**

IV. Resource requirement for 2021

28. Paragraph 53 of the Secretary-General's report indicates the planned activities during the remaining part of 2021. Resource requirements in the amount of \$494,000 are required for 2021 as follows: (a) \$120,000 for a Project Coordinator at the P-4 level through the end of 2021. The incumbent would oversee the activities of the specialized multidisciplinary firm and coordinate with relevant stakeholders at the United Nations Office at Nairobi and at Headquarters in New York during the implementation of the activities; (b) \$326,000 to continue with contracting services through a specialized multidisciplinary firm with expertise in conference servicing to undertake the activities; and, (c) \$48,000 to conduct an independent risk assessment and cost estimate peer review (*ibid.*, para. 54).

29. The Advisory Committee was informed that the General Assembly was requested to take note of the outcomes of the needs assessment in the report, as well as future needs of the conference facilities at the United Nations Office at Nairobi as represented by the two scalable options for the immediate and projected additional capacity requirements at the Nairobi duty station. The Committee was further informed that the next steps, outlined in paragraph 53, represented the specific actions to be undertaken in 2021 and presented as part of the Secretary-General's next report to the main part of the seventy-sixth session of the General Assembly. The first phase (pre-design) was expected to start from mid-2021 and continue until mid- to late 2022. The Committee was further informed that a decision would be required from the

General Assembly during the main part of its seventy-sixth session to determine whether the project would proceed beyond the pre-design phase in 2022 and that a refined and more detailed version of the indicative project schedule would be included in the next report of the Secretary-General.

V. Conclusions and recommendations

30. The recommendations of the Secretary-General on proposed actions to be taken by the General Assembly are set out in paragraph 55 of the report. **Subject to its recommendations and observations above, the Advisory Committee recommends that the General Assembly:**

- (a) **Take note of the report of the Secretary-General;**
 - (b) **Approve the establishment of a temporary post of Project Coordinator (P-4);**
 - (c) **Appropriate an amount of \$494,000 under section 29G, Administration, Nairobi, of the programme budget for 2021, which would represent a charge against the contingency fund;**
 - (d) **Take note of the intention of the Secretary-General to propose next steps to the General Assembly at the main part of its seventy-sixth session.**
-