



# General Assembly

Distr.: General  
2 December 2021

Original: English

---

Seventy-sixth session

Agenda item 138

Proposed programme budget for 2022

## Progress on the replacement of office blocks A–J at the United Nations Office at Nairobi

### Eighteenth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2022

#### I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on progress on the replacement of office blocks A–J at the United Nations Office at Nairobi ([A/76/330](#)). During its consideration of the report, the Committee met online with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses dated 15 November 2021.

2. The replacement of office blocks A–J at the United Nations Office at Nairobi is one of the near-term major construction projects identified in the report of the Secretary-General on the strategic capital review.<sup>1</sup> The report of the Secretary-General ([A/76/330](#)), submitted pursuant to section XIV of General Assembly resolution [75/253](#), provides an update on the project since the issuance of the previous progress report of the Secretary-General ([A/75/331](#)), including design development, procurement activities, project governance, risk management and progress in construction. As requested by the Assembly in its resolution [75/253](#), the most recent report of the Secretary-General presents information in relation to the master plan, the project's full scope, maximum overall cost and implementation strategy, taking into account the results of the Gigiri office space survey, which concluded in June 2021, regarding the space requirements of United Nations Nairobi-based entities in 2024, as well as information related to the improved utilization of existing office space through the implementation of flexible workplace strategies following lessons learned from the pilot project of office block V.

---

<sup>1</sup> The Advisory Committee has provided related observations and recommendations in its report on the strategic capital review ([A/72/7/Add.9](#)). In its previous reports on the renovation project at the United Nations Office at Nairobi, the Committee addressed a number of specific matters ([A/75/7/Add.16](#), [A/74/7/Add.15](#), [A/73/426](#) and [A/72/7/Add.28](#)).



## II. Progress in the implementation of the project

### Cooperation with the host Government and other Member States

3. The Advisory Committee recalls that the Gigiri complex is situated on 140 acres of land provided by the Government of Kenya in 1975 and 1978 (100 and 40 acres, respectively) and comprises 18 office blocks, a conference centre constructed between 1983 and 1985, a new office facility constructed during 2009–2010 and numerous prefabricated buildings originally constructed as swing space, but now serving as temporary office space ([A/72/7/Add.28](#), para. 3). The Committee notes that the report of the Secretary-General does not provide an update regarding the establishment of the working group to consider options for seeking both voluntary and in-kind contributions from Member States for capital construction efforts at the Gigiri complex.

**4. The Advisory Committee expresses its gratitude to the host country for its continuing support to the United Nations Office at Nairobi and trusts that the Secretary-General will continue to engage with the host country to ensure the success of the project. Furthermore, the Committee encourages the Secretary-General to also continue to engage with other Member States to seek voluntary contributions, including in-kind contributions, and other forms of support for the project.**

### Master plan

5. Paragraphs 10 to 13 and figure 1 of the report of the Secretary-General ([A/76/330](#)) provide information regarding the new master plan for the Gigiri complex. To replace the outdated master plan from the 1970s and 1980s, the United Nations Office at Nairobi, during the reporting period, developed a new master plan with a 20-year planning horizon for the Gigiri complex, on the basis of which the current scope, maximum overall costs and implementation strategy for the project were defined. The new master plan considers the findings of the previous reports of the Secretary-General on the strategic capital review ([A/68/733](#) and [A/70/697](#)) and addresses the defined needs for replacing the old office blocks (A–J) as the first priority and modernizing the United Nations Office at Nairobi's conference services facilities as a second priority.

6. Upon enquiry, the Advisory Committee was informed that the design of the new United Nations Office at Nairobi master plan had commenced in 2014 as part of the report of the Secretary-General on the strategic capital review ([A/68/733](#)) and was concluded in 2020 following the determination of the maximum overall cost and implementation strategy of the A–J project (identified as the first priority in the strategic capital review) and the definition of two clear options for modernizing the United Nations Office at Nairobi's conference services facilities. The Committee was informed that the Gigiri complex was nearly 50 years old and that existing workflows, which had evolved organically over time, needed improvement. The newly developed master plan addresses the range of operational and logistical functions that the United Nations Office at Nairobi provides to an expanding client base; the larger number of office space tenants, more than double the planned numbers in the 1980s and 1990s; and the exponential growth in conferences, given that the complex was designed to accommodate conferences of up to 2,000 participants, even though the most recent major conference in 2019 included more than 5,000 participants.

7. The Advisory Committee was informed that the two projects, namely, renovation of blocks A–J and the conference facilities, were independent from the budgetary and financial perspectives and that the master plan ensured that project objectives were met while eliminating many risks and addressing security, safety and access requirements. The Committee was also informed that the recent needs assessment for the conference facilities had resulted in a review of the workflows and

access routes required across the complex, also considering security and safety requirements, including a clear separation of pedestrian and vehicle routing of United Nations Office at Nairobi staff and of visitors and delegates across the Gigiri complex for optimized regular business operations. The Committee was also informed that the current footprint of blocks A–J was used as the location for the early works component, including the new annex building (logistics building), which is being built on the site of the block J that was demolished early in 2021; that the location of the publishing services building remained the same as previously reported ([A/73/344](#), paras. 19–21); that redesigning the existing publishing services building had eliminated the need to build a new service building and reduced the need for swing space, given that the renovated publishing services building provided new office space earlier than previously expected; and that the proposed location for the new building avoided a potential time-consuming phasing of the construction and did not require additional swing space, given that all clients and tenants would remain in their offices until the new building was ready for occupation.

8. The Advisory Committee was further informed that the new building would be located in an optimal location of the Gigiri complex, whereby current office blocks A–J would not need to be demolished to provide space for the new building and could be continuously used instead during the new building construction. This would minimize business continuity risks and avoid potential costs for swing space and enable the location of the existing blocks A–J to subsequently be reverted to an environmental park. **The Advisory Committee notes that the new master plan forms the basis of the current scope, maximum overall costs and implementation strategy for the project. The Committee also notes that, although the report of the Secretary-General provides greater clarity regarding the scope of the construction components, the current plan requires greater clarity in terms of the footprint of block J and whether it will be part of the location for the early works component, including the new annex building or revert to an environmental park. The Committee trusts that additional information will be provided to the General Assembly at the time of its consideration of the present report.**

### **Project governance**

9. The Secretary-General, in his report ([A/76/330](#)), indicates that the project governance structure presented in his previous report ([A/75/331](#)) remains unchanged. The project owner remains the Director-General of the United Nations Office at Nairobi and the project governance structure includes continued coordination and oversight by the Global Asset Management Policy Service at Headquarters, which, supported by an international professional firm with experience in construction-related risk management services, continued to hold regular risk management workshops with the dedicated project management team (*ibid.*, paras. 22–26). **The Advisory Committee stresses the importance of close coordination between the United Nations Office at Nairobi and the Secretariat in New York, in particular the Global Asset Management Policy Service, to ensure proper oversight and governance regarding all aspects of the project. The Committee trusts that complete information, including on governance structures, will be provided in future reports.**

### **Project staffing**

10. The Secretary-General, in paragraph 27 of his report ([A/76/330](#)), outlines the status of recruitment for the remaining positions of the dedicated project management team approved by the General Assembly in section IX of its resolution [73/279](#). Upon enquiry, the Advisory Committee was provided with a consolidated list of dedicated project management staffing resources for 2022, as detailed in table 1. The Committee

was informed that all positions were proposed for continuation in 2022, with the exception of the Project Coordinator (P-4) at Headquarters.

Table 1  
**United Nations Office at Nairobi project staffing 2022**

<i>Position</i>	<i>Status</i>	<i>Date encumbered</i>
Project Manager (P-5)	Encumbered position	January 2021 <sup>a</sup>
Space Planner Coordinator (P-4)	Encumbered position	October 2018
Engineer (P-3)	Encumbered position	February 2019
Procurement Officer (P-3)	Encumbered position	August 2019
Associate Logistics Officer (National Professional Officer, level B)	Encumbered position	September 2021
Clerk of Works (G-7)	Encumbered position	June 2021
Engineer (National Professional Officer, level C)	Vacant	
Senior Administrative Assistant (G-7)	Vacant	
Project Coordinator (P-4) at Headquarters <sup>b</sup>	Encumbered position	January 2021
Consultants		
A–J specialist, information technology	Encumbered position	March 2020
A–J specialist, safety and security	Encumbered position	September 2019

<sup>a</sup> Replacement of previous project manager.

<sup>b</sup> Fifty per cent is cost-shared with the Economic Commission for Africa Africa Hall project in 2021 only.

11. The information provided in table 1 indicates that the positions of Engineer (National Professional Officer, level C) and Senior Administrative Assistant (G-7) are vacant and that four positions were encumbered only in 2021. **The Advisory Committee notes the lengthy period of vacancy of the two positions since the inception of the project and trusts that the United Nations Office at Nairobi will take appropriate measures to fill these positions and will provide an update in the context of the next progress report.**

#### **Safety and security and information technology consultants**

12. As regards the requirements for two technical specialists, the Advisory Committee was provided with information regarding their functional expertise and informed that the consultants had contributed to the commencement, in April 2021, of the construction of the annex building and the repurposing, in August and September 2021, of the publishing services building. The Committee was informed that expenditure in the amount of \$355,770 had been incurred and that, because both facilities would house significant components of United Nations Office at Nairobi security and safety infrastructure and operational services spaces, including critical security spaces, the technical expertise from both the safety and security and information technology consultants would continue to be needed to ensure an appropriate design development (ibid., para. 27 (d)).

### **Project schedule and progress**

13. In [A/76/330](#), the Secretary General indicates that the updated project schedule forecasts a phased project completion, with the flexible workspace and new building components being completed by the end of 2024, representing an overall 12-month delay in final project completion and overall project close-out continuing until the end of 2025. The updated project schedule is shown in table 3 of the report, which also indicates that slippage is attributed predominately to coronavirus disease (COVID-19)-related delays and that the revised schedule provides a realistic projection of the time required to complete the project, on the basis of lessons learned and experience to date.

14. The project's objectives remain unchanged and include the three main components: (a) early works to repurpose the publishing services building and construction of a new annex building, to accommodate all United Nations Office at Nairobi operational functions; (b) flexible workplace strategies across all offices on the Gigiri complex to improve current space utilization; and (c) a new building, comprising approximately 10,500 m<sup>2</sup> of office space (a reduction of some 10 per cent from the 11,666 m<sup>2</sup> indicated in [A/75/331](#)), to replace the old office blocks A–J. The new Secretariat building component will consider future space requirements for current Gigiri-based entities in line with the outcomes of the office space survey (*ibid.*, para. 9).

#### *Early works component*

15. As regards the early works component, the Secretary-General, in his report ([A/76/330](#)), indicates that the project experienced a six-month schedule slippage during the solicitation process, resulting in a three-month construction slippage for the annex and a nine-month construction slippage for the publishing services building renovations owing to the COVID-19 pandemic (*ibid.*, para. 14). COVID-19 mitigation measures were employed and design and construction resources were reduced to ensure safe working practices. The Secretary-General provides an update, including: (a) the awarding of the refurbishment contract in August 2021 of the existing publishing services building as the United Nations Office at Nairobi primary data centre and central security control room; (b) the design and construction of a new annex building to house all the United Nations Office at Nairobi logistics and operational services, including the component-related horizontal infrastructure; the United Nations Office at Nairobi also removed and sold a large, prefabricated building instead of using a contractor; and (c) the construction of approximately 650 m<sup>2</sup> of temporary swing space to relocate tenants from blocks P and Q during the flexible workplace strategies pilot project; the temporary facilities will be reused as future event spaces to avoid rental costs for temporary tented structures (*ibid.*, paras. 15 and 36).

#### *Flexible workplace strategies component*

16. With regard to the flexible workplace strategies component, the Secretary-General mentions the impact of COVID-19, resulting in only approximately 10 per cent of United Nations Office at Nairobi staff being available to test the spaces created through the pilot projects. Therefore, the value of the lessons learned during the flexible workplace strategies pilot projects cannot yet be evaluated in full. Imported items were most affected by global shortages, and the global supply chain to Nairobi was delayed. The pandemic also resulted in a shortage of resources, and future design and construction efforts for the subsequent blocks were reduced in order to minimize overall project delays and to maintain overall costs (*ibid.*, paras. 17–18). Details of the component include: (a) completion by December 2020 of the furniture pilot

project and the testing of flexible work zones in block X, and retrofitting in February 2021 of one additional floor of the existing office block W with existing furniture; (b) use of six work “pods”<sup>2</sup> for outdoor work and meeting spaces; additional work pods will be installed when additional office blocks are refurbished in the future; and (c) schedule slippages during implementation of the pilot project related to office block V, mainly from COVID-19 impacts on the resources deployed and on the project’s supply chain (ibid., paras. 37–42).

17. Upon enquiry, the Advisory Committee was informed that, to date, there had been no changes or reductions in the scope of the flexible workplace strategies component of the project, although shortages in resources caused by the COVID-19 pandemic had resulted in project delays. As regards the refurbishment of the block V as a flexible workspace, completed as planned in September 2021, the Committee was informed that, except for some minor items to be completed in October 2021, the works had been completed by the end of September 2021 and that building occupation was scheduled to occur by the end of October 2021 (ibid., para. 64 (b)). **The Advisory Committee trusts that an update regarding the occupation of the building will be provided to the General Assembly at the time of its consideration of the present report.**

18. With regard to the lessons learned during the COVID-19 pandemic, the Advisory Committee was informed that they included a 25 per cent target increase in staff occupancy based on additional best practices learned from the industry and other United Nations offices that had already implemented flexible workspace strategies; changing some specifications to introduce non-touch fittings and easily cleanable finishes in the design and specification of subsequent refurbishments; and favourable climate conditions had allowed for the installation of the workpods for outdoor collaborative meetings and a working environment with a reduced risk of COVID-19 infection, thereby facilitating the United Nations Office at Nairobi “back to office” strategy with the ultimate intention of providing one workpod per office block (see also ibid., paras. 17, 20 and 38).

#### *New building component*

19. In terms of the new building component, the Secretary-General, in his report (A/76/330), indicates some schedule slippages during the solicitation of the design consultancy firm due to the COVID-19 pandemic, with the awarding of the contract in August 2021. The design for the new Secretariat building will continue to be modular and scalable so that, if any unforeseen circumstance related to the pandemic arises, such aspects could be addressed during the design development (ibid., paras. 19–21 and 43). Upon enquiry, the Advisory Committee was informed that, on the basis of prior experience with the new office facilities project in 2010, the new building design would be modular and likely comprise two to three blocks that would be customized and/or replicated to achieve the required gross area of 10,500 m<sup>2</sup>. The estimate of \$18,080,300 for the new building component shown under line item 1.3 of the project cost plan of the table in annex I to the report is based on constructing approximately 11,600 m<sup>2</sup> of future office space. In accordance with paragraph 9 (c) of the report, the confirmed area in 2021 of future office space is 10,500 m<sup>2</sup> and, therefore, the original cost estimate is deemed sufficient to successfully deliver the project. The Committee was also informed that the project cost plan also provided provisions for both an escalation and contingency provision under line items 3 and 4.

---

<sup>2</sup> A “pod” is a fully functional, free-standing prefabricated structure that is designed to serve as a meeting and collaboration area, with movable walls to flexibly allow outdoor space to also be utilized when feasible.

*Project schedule*

20. The Advisory Committee, upon enquiry, received an amended version of the project schedule chart presented in the report of the Secretary-General (ibid., table 3), as detailed in table 2, and updated information concerning paragraph 74 of the report and the alignment of the activities to be undertaken, including:

(a) Early works completion of the annex building by 31 March 2022 and completion of the renovation of the publishing services building by 30 September 2022;

(b) Refinement of the flexible workplace design in line with lessons learned by 30 June 2022, followed by the next pilot projects of office blocks P and Q;

(c) Completion of construction works for the pilot projects of blocks P and Q by 30 June 2022;

(d) Completion of the construction works tender package and solicitation of the services of a professional construction firm for the refurbishment and implementation of the flexible workplace strategies in the remaining blocks M to X, including associated outdoor space, by 30 June 2022;

(e) Completion and solicitation of the furniture works package for Blocks P and Q and for the implementation of the flexible workplace strategies across the remainder of the Gigiri complex by 30 June 2022;

(f) Completion of the design works for the new building component by 31 July 2022;

(g) Development of the new building construction works package, solicitation of the services and appointment of a professional construction firm for the implementation of the new building component by 31 December 2022;

(h) Formalization of the change management and corporate support group and launch of the official project information distribution channel for regular updating of external and internal stakeholders, tenants and staff by 31 March 2022 during the extended pilot phase of the flexible workplace schedule, taking into account the actual lessons learned from the block V pilot.





the Gigiri complex, expanding their current office space at the complex or moving into the complex. He indicates that the outcomes of the updated survey will be a determining factor of the future office space requirements of the United Nations Office at Nairobi. The total number of staff decreased from 4,635 to 4,534, although the forecasted staff numbers for the Headquarters entities remained unchanged, and for the other Secretariat entities, there was a marginal reduction in staff numbers (*ibid.*, paras. 45 and 47 and table 1). Annex II to the report also presents the updated projected staff numbers for each of the entities as verified and certified by their heads of entities, and table 2 provides an updated summary of the projected demand for office space on the basis of the findings of the 2021 office space survey, resulting in space requirements of 10,500 m<sup>2</sup> for the new office building.

23. Upon enquiry, the Advisory Committee was informed that, with regard to the withdrawal of interest from the Food and Agriculture Organization of the United Nations Somalia office, the entity continued to remain a tenant on the Gigiri complex and that only its regional office in Somalia, comprising 171 staff, had withdrawn interest in relocating because it had invested in existing accommodation. Owing to updated projections from other entities, the net reduction in the overall number of staff is 101, and this reduction does not have an impact on the cost for the new building, given that it is based on an unchanged range of office space of between 7,000 and 12,600 m<sup>2</sup>. Furthermore, the Committee was informed that all United Nations agencies, funds and programmes that were not on the Gigiri complex but had a presence in Nairobi had already been approached and offered to be considered in the project, and that almost all had confirmed having long-term leases at their present locations (see also *ibid.*, para. 46). **The Advisory Committee notes the net reduction in the overall number of staff resulting from the 2021 office space survey and trusts that additional information will be provided to the General Assembly at the time of its consideration of the present report, and that the potential implications of changes to the number of staff will be included in the next progress report.**

### Risk management

24. Details on risk management and the proactive measures to be taken to mitigate risks are described in paragraphs 28 to 33 of the report of the Secretary-General (A/76/330) and include a fourth Monte Carlo simulation<sup>3</sup> for the project, in June 2021, based on updated assessed costs for both existing and newly identified risks. The assessment projects that a budget of \$67.13 million would be needed to meet the UN-P80 confidence target level,<sup>4</sup> which is \$0.87 million above the estimated total project costs of \$66.26 million. In 2021, the likelihood of delivering the project within the estimated projects cost of \$66.26 million is 47 per cent, which is an increase of 20 percentage points compared with the previous year's confidence level of 27 per cent (*ibid.*, paras. 30–33 and figures II and III).

25. The top five risks identified in the cost-sensitivity analysis are: (a) construction of a new office building; (b) project management and support team; (c) owner-directed changes; (d) COVID-19 related risks; and (e) schedule risk. Upon enquiry, the Advisory Committee was informed that the project contingency provision was considered sufficient to cover potential owner-directed changes, which the project team aims to keep to a minimum and that, to date, has resulted in no such changes. The Committee was also informed that, efforts to manage costs notwithstanding, the

<sup>3</sup> A statistical analysis method used to better understand the impact of risks in a project, by using a range of minimum to maximum values with regard to time frames and cost estimates for stages and components, through a computer-based simulation that runs multiple random project scenarios (see A/75/7/Add.16, para. 17, footnote 3).

<sup>4</sup> The P80 benchmark is a target confidence level that the project cost will not exceed the total cost 80 per cent of the time.

potential risk was that the project management budget might be insufficient to complete the remainder of the works and that the oversight and supervision of the project could be affected, resulting in delays in the overall construction schedule. The Committee was further informed that the project team was developing mitigation strategies within the overall project schedule to stay within the budget approved by the General Assembly, to the extent possible (*ibid.*, table 4). **Taking into consideration the improved level of confidence at this stage, the Advisory Committee nevertheless trusts that the Secretary-General will continue to closely monitor and mitigate project risks, to ensure the delivery of the project within the scope, budget and timeline. The Committee trusts that an update will be provided in the context of the next progress report (see para. 37 (b) below).**

#### **Office of the United Nations High Commissioner for Refugees and the International Organization for Migration**

26. The Secretary-General, in his report (A/76/330), indicates that both the Office of the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM) have reaffirmed their commitment and intention to move into the United Nations Office at Nairobi compound and that adding any new, additional buildings for UNHCR and/or IOM to the Gigiri complex will not have any adverse impact on the cost or schedule of the construction project on office blocks A–J. The move may result in a potential economy of scale or efficiency gains, which cannot be determined at this stage (A/76/330, paras. 53–54). Upon enquiry, the Advisory Committee was informed that an economy of scale or efficiency gains would be confirmed should UNHCR and IOM commit themselves to fully financing the additional buildings and that a potential economy of scale would be the design of the new building, given that the contract for lead consultancy (architectural) services for the new building allows for the additional design of an IOM/UNHCR building to be added as a contractual component once funding is confirmed. Any savings in the design for the A–J construction project would be triggered by economies of scale at the end of the design process. The Committee was informed that other economies of scale would result from the construction contract because a contract that includes an IOM/UNHCR-funded building might lead to a lower unit price for construction items, given the attendant elimination of duplicated costs, such as mobilization for the construction firm.

**27. The Advisory Committee notes that adding additional buildings for the Office of the United Nations High Commissioner for Refugees and/or the International Organization for Migration to the Gigiri complex will not have any adverse impact on the cost or schedule of the A–J construction project and that the potential economy of scale or efficiency gains are currently unknown. The Committee therefore recommends that the General Assembly request the Secretary-General to include additional details on the potential efficiencies and on energy-related savings, including the annual energy to be produced, used and redirected by any photovoltaic panel system erected on the building, in the context of the next progress report.**

#### **Procurement and use of local materials and knowledge**

28. The Secretary-General, in his report (A/76/330), indicates that, in line with paragraphs 13 and 15 of section XIV of General Assembly resolution 75/253, the dedicated project management team continued its active involvement in the development of the project design and emphasized the importance of including local knowledge, technology and locally manufactured products, such as the design and manufacture of furniture for the outdoor workpods by local artisans. He also indicates that an agreement with local artisans was put in place to harvest any trees affected by

the office blocks A–J replacement project and to create sustainable outdoor and office furniture for use on the complex (ibid., para. 40). Upon enquiry, the Advisory Committee was informed that only three large non-indigenous trees had been harvested on the constrained construction site where the creation of the annex building is in progress and were being hand-made into bespoke outdoor furniture as select pieces for use on the complex.

29. The Advisory Committee was also informed that the anticipated new building footprint area would be approximately 3,500 m<sup>2</sup>, creating an approximate increase of 28 per cent in landscaped areas, and that the anticipated IOM/UNHCR construction site was currently occupied by prefabricated timber structures, which would be replaced by the new permanent buildings with a smaller footprint, leading to an expected increase in future landscaped areas. **The Advisory Committee recalls its related recommendations made in its previous report (A/75/7/Add.16, para. 24) and reiterates the importance of ensuring the use of locally sourced and manufactured materials, as well as local labour and expertise, and looks forward to updates thereon in future progress reports.**

#### **Energy efficiency strategy and related cost savings**

30. The Secretary-General, in his report (A/76/330), indicates that the project's energy efficiency strategy is described in his previous report (A/75/331, paras. 29–34). He also indicates that the new annex building is intended to be a net-zero building that will be equipped with roof-mounted photovoltaic panels, sized to generate the equivalent of the total energy consumed by the building throughout the year. Furthermore, sustainable technologies were considered in the design of the publishing services building, which includes construction of the United Nations Office at Nairobi's new primary data centre for the entire Gigiri complex, and that waste management has a major role in the delivery of the office blocks A–J replacement project (A/76/330, paras. 55–60). **The Advisory Committee again welcomes the construction of the new annex building at the United Nations Office at Nairobi as a sustainable and energy-efficient net-zero building and trusts that, as construction proceeds, the projected amount of energy to be produced will be defined. The Committee looks forward to continued updates in future progress reports on the annual energy to be produced, used and redirected by the building's photovoltaic panels, as well as further information regarding the application of sustainable technologies in the three project components. Furthermore, with regard to the sharing of best practices and applicable lessons learned in all aspects of the project, the Committee reiterates its previous recommendation that knowledge gained at other United Nations construction projects should be shared for possible application at the United Nations Office at Nairobi (see also A/75/7/Add.16, para. 26).**

### **III. Project expenditure and anticipated costs**

31. Details on project expenditure and anticipated costs are provided in paragraphs 65 to 71 of A/76/330, in which the Secretary-General indicates that the General Assembly, by its resolutions 72/262 A, 73/279 A, 74/263 and 75/253, appropriated a total amount of \$25,562,900 for the period 2018–2021.

32. The Secretary-General indicates that the cumulative expenditure as at 31 July 2021 was \$11,060,800. The projected expenditure for the remainder of 2021 amounts to \$8,601,500, and a balance of \$5,900,600 is projected to remain unused at the end of 2021, owing to the revised project schedule. The projected expenditure for 2022 amounts to \$17,216,800, comprising: (a) \$1,231,600 under section 29G,

Administration, Nairobi, for the cost of project management team; (b) \$15,741,100 under section 33, Construction, alteration, improvement and major maintenance; and (c) \$244,200 under section 34, Safety and security ([A/76/330](#), para. 72 and table 5). Taking into account the projected unspent balance of \$5,900,600 at the end of the 2021 and the projected expenditure of \$17,216,800 for 2022, the projected funding requirements amount to \$11,316,300, comprising: (a) \$10,069,300 under section 33; (b) \$1,163,300 under Section 29G; and (c) \$83,700 under section 34.

33. The Secretary-General, in his report ([A/76/330](#)), indicates that some benefits were gained through the confirmed location of the new building, whereby the existing blocks A–J can remain in place and less swing space is needed until the new building is completed. This has helped to keep the project within the estimated overall cost of the project for a total amount of \$66,260,100, although there has been a redistribution of costs between 2021 and 2025 to reflect the revised construction schedule and related expenditure for the flexible workplace component. The revised cost plan is indicated in annex I to the report (*ibid.*, para. 71). The Secretary-General also indicates in paragraph 74 of his report the activities that will be undertaken in 2021 (see also paras. 20–21 above).

34. The Advisory Committee requested but did not receive information on actual monthly expenditure from 2018 until the time of drafting the present report and on projected expenditure for the remainder of 2021 and for 2022. **The Advisory Committee recommends that the General Assembly request the Secretary-General to include information on the evolution of the cost plan since the inception of the project, showing variances and explanations, as well as monthly expenditure since the inception of the United Nations Office at Nairobi project and projected expenditure in future progress reports, and to include such updates in the progress reports of other United Nations construction projects in order to standardize the reporting format (see also [A/76/7/Add.8](#), para. 25).**

35. Upon enquiry, the Advisory Committee was provided with additional information regarding the contingency provision in the amount of \$5,387,900, as detailed in table 3, and was informed that, since the onset of the project, the calculation methodology for the escalation and contingency provisions had remained unchanged. The Committee was also informed that the escalation had been calculated since the report submitted at the seventy-fourth session of the General Assembly by applying a rate of 7 per cent over the construction costs, compounded yearly, and that contingency was calculated by applying a rate of 10 per cent over the construction costs, professional services fees and escalation costs. Any unspent amounts under both escalation and contingency are carried over to the next year. **The Advisory Committee trusts that updated information on the use of contingency funding will be provided to the General Assembly at the time of its consideration of the present report.**

36. Upon enquiry, the Advisory Committee was also provided with a comparison, as shown in table 3, of the revised cost plan contained in the report of the Secretary-General and the cost plan originally presented in [A/74/343](#) and approved by the General Assembly. **The Advisory Committee notes that, although it was informed that the cost plan had not changed because the scope of the project had not changed, the summary cost plan does not contain a sufficiently detailed breakdown by line item. The Committee therefore recommends that the General Assembly request the Secretary-General to include detailed calculations and additional details on all cost plan items for all construction projects in future reports.**

Table 3  
**Cost plan comparison**

(Thousands of United States dollars)

	<i>A/74/343</i>	<i>A/76/330</i>	<i>Difference</i>	<i>Notes</i>
<b>Section 33, Construction, alteration, improvement and major maintenance</b>				
1. Construction costs				
1.1 Early works/repurposed publishing building	10 531.30	10 531.30	–	Unchanged
1.2 Flexible workspace	11 288.40	12 346.20	1 057.80	Adjustments from escalation to cover the difference in the signed contract value and the original estimated contract value
1.3 New office building	18 080.30	18 080.30	–	Unchanged
2. Professional services				
2.1 Early works/repurpose publishing building design works	1 263.80	1 264.10	0.3	Adjustments from escalation to cover the difference in the signed contract value and the original estimated contract value
2.2 Flexible workspace design works	1 354.60	1 825.00	470.4	Adjustments from escalation to cover the difference in the signed contract value and the original estimated contract value
2.3 New office building design works	1 808.00	1 808.00	–	Unchanged
2.4 Risk management	102.9	102.9	–	Unchanged
2.5 Other services (furniture, information technology, licences and third-party reviews)	61	61	–	Unchanged
3. Escalation (7 per cent)	9 655.80	6 953.10	(2 702.70)	Adjustments to account for the difference related to line items 1, 2, 5 and 6
4. Contingency (10 per cent)	5 387.90	5 387.90	–	Unchanged
<b>Subtotal, section 33</b>	<b>59 534.00</b>	<b>58 359.80</b>	<b>(1 174.20)</b>	<b>Adjusted totals due to adjusted line items above</b>
<b>Section 29G, Administration Nairobi</b>				
5. Project management				
5.1 Dedicated project management and support team	5 361.00	6 535.50	1 174.50	Adjustment to account for staffing allowance due to project slippage
5.2 Dedicated coordinator at Headquarters	404	404	–	Unchanged
5.3 Travel of project management team	87.8	87.8	–	Unchanged
<b>Subtotal, section 29H</b>	<b>5 852.80</b>	<b>7 027.20</b>	<b>1 174.40</b>	<b>Adjusted totals due to adjusted line items above</b>
<b>Section 34, Safety and security</b>				
6. Security requirements (security guards)	873.3	873.1	(0.2)	Adjustment to account for actual expenditure
<b>Subtotal section 34</b>	<b>873.3</b>	<b>873.1</b>	<b>(0.2)</b>	<b>Adjusted totals due to adjusted line items above</b>
<b>Total</b>	<b>66 260.10</b>	<b>66 260.10</b>	<b>–</b>	<b>Unchanged</b>

## **IV. Conclusion**

37. The recommendations of the Secretary-General on proposed actions to be taken by the General Assembly are set out in paragraph 75 of his 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 overall full scope, maximum overall cost of \$66,260,100 and implementation strategy of the project;**
  - (c) **Appropriate an amount of \$11,316,300, comprising: (a) \$1,163,300 under section 29G, Administration, Nairobi; (b) \$10,069,300 under section 33, Construction, alteration, improvement and major maintenance; and (c) \$83,700 under section 34, Safety and security of the programme budget for the year 2022, which would represent a charge against the contingency fund.**
-