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Proposed programme budget for 2026

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

Eighth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2026

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the advance version of the report of the Secretary-General on progress on the replacement of office blocks A–J at the United Nations Office at Nairobi ([A/80/202](#)). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses dated 7 August 2025.

2. The Advisory Committee recalls that 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.¹ The General Assembly established the project in its resolution [72/262 A](#) and approved the overall maximum project cost of \$66,260,100 in its resolution [76/246 A](#). The report of the Secretary-General is submitted pursuant to Assembly resolution [79/258](#) (sect. XIII) and constitutes the eighth progress report on the project, updating the status of implementation since the previous progress report ([A/79/267](#)). The Secretary-General indicates in his report that the forecasted substantial completion date for the entire project of December 2025 remains unchanged since the previous progress report, although completion of the Joint Medical Service facilities is now projected for April 2026, a delay of four months that is not expected to affect the substantial completion or benefits realization of the project ([A/80/202](#), paras. 36 and 38). It is also indicated that the revised cost plan for the project amounts to

* [A/80/150](#).

¹ 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/79/7/Add.11](#), [A/78/7/Add.11](#), [A/77/7/Add.14](#), [A/76/7/Add.17](#), [A/75/7/Add.16](#), [A/74/7/Add.15](#), [A/73/426](#) and [A/72/7/Add.28](#)).



\$66,024,400, which will generate an avoidance in appropriation of \$118,100 for 2026 and, together with the remaining contingency balance of \$220,100, will result in total savings of \$338,200 for the project (*ibid.*, para. 49; see also para. 18 below).

3. Section II of the progress report of the Secretary-General details the project objectives and benefits. It is noted in the report that the implementation of flexible workplace strategies has provided an average 25 per cent improvement of office space utilization in comparison with planned utilization before the project began and supported the unplanned relocation of headquarters functions by the United Nations Population Fund (UNFPA), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), and the United Nations Children's Fund (UNICEF) (A/80/202, para. 5). Upon enquiry, the Advisory Committee was informed that 120 staff from UNICEF have already been relocated to the compound and that the United Nations Office at Nairobi was facilitating moves for 140 staff from UNFPA and 160 staff from UN-Women, with talks for the relocation of an additional 100 staff from UNICEF ongoing. While some capacity remains for additional relocations, there were currently no indications of additional staff to be relocated, and no specific concern about the downsizing of United Nations entities or non-governmental organizations impacting the relocation of staff to the Office. **The Advisory Committee trusts that updated information on staff relocation and its impact on office space utilization will be provided to the General Assembly at the time of its consideration of the present report. The Committee further trusts that information on relocation of staff from other duty stations in the context of the UN80 Initiative will be provided in future reports.**

II. Progress made during the reporting period

Cooperation with the host country and other Member States, and voluntary contributions

4. The Secretary-General indicates in his report that minor works, including the widening of road networks in the vicinity of the Gigiri complex, were under discussion with the Kenya Urban Roads Authority. With regard to voluntary contributions, it is noted that voluntary contributions have been proactively obtained for the project, most notably through an arrangement with the Office of the United Nations High Commissioner for Refugees (UNHCR) for the construction of two additional office blocks (*ibid.*, paras. 21 and 22; see also para. 6 below). The Advisory Committee was informed, upon enquiry, that there were no specific plans in place to attract additional donors for the A–J project, but that other initiatives were under way to secure donor funding related to the conference facilities project at the United Nations Office at Nairobi. With regard to increasing the number of intergovernmental meetings to be held at the United Nations Office at Nairobi, the Committee was further informed that the liquidity crisis facing many United Nations client entities continued to influence decisions on venue selection and that the United Nations Office at Nairobi intended to begin promoting the forthcoming upgraded conference facilities.

5. **The Advisory Committee acknowledges the continued support provided by the host country to facilitate the replacement of office blocks A–J project at the United Nations Office at Nairobi (A/79/7/Add.11, para. 5).**

Construction arrangements with the Office of the United Nations High Commissioner for Refugees

6. With respect to the service-level agreement between the United Nations Office at Nairobi and UNHCR signed in December 2022 for the funding of two office

buildings and one logistics building, the Secretary-General indicates that one building was occupied by the Regional Office of UNHCR by the end of April 2025 and the second will have been occupied by the Kenya Country Office of UNHCR by the end of July 2025 (A/80/202, para. 35).

Status of construction and project schedule

7. The Secretary-General, in paragraphs 26–41 and figures I and II of his report, provides an update on the status of construction efforts and the project schedule with respect to the three main components of the project (early works, flexible workplace strategies and new building components). Table II of the report provides a comparison of milestone dates vis-à-vis the previous progress report (A/79/267).

8. Updated information provided in the progress report of the Secretary-General on the three components of the project includes:

(a) Early works: the fit-out and infrastructure works for the annex (logistics) and publishing buildings will be completed before the end of 2025, and the construction of the Joint Medical Services facilities will be completed in April 2026. It is noted that the planning concept design of the Joint Medical Services building is complete, with invitations forthcoming for the tender of the construction contract (A/80/202, paras. 28 and 29 and 37 and 38);

(b) Flexible workplace strategies: the refurbishment of office blocks M, N, P, Q, T, U, V and X was completed, and the refurbishment of new office facilities blocks was more than halfway complete (ibid., paras. 30 and 31). It is indicated that the United Nations Office at Nairobi has chosen to slow down the fit-out and occupation of blocks R and S until November 2025, to allow for the conversion of loft storage into office space. This was outside the original scope of the project and will provide additional space to enable the move-in of UNFPA and UN-Women staff without additional costs (ibid., para. 30). In addition, the refurbishment of block W is ongoing owing to the conversion of the basement level to additional office space, and meetings are being held with United Nations entities to smooth the transition of tenant moves (ibid., paras. 31 and 32). It is noted that all refurbishment works are on track for completion in December 2025, which will represent substantial completion of both the flexible workspace strategies component and the A–J project itself. Upon substantial completion, a 12-month defects liability period will begin, with part of the responsibilities to be transferred to the Office’s facilities management team (ibid., para. 39);

(c) New building component: a minor slippage of two weeks occurred owing to force majeure events, leading to the completion of this component by April 2025. The handover and occupancy of new buildings was not impacted, however, with all the required documentation and equipment in place and completed by June 2025 (ibid., paras. 33 and 34). The Secretary-General indicates that the defects liability period for this component will be from April 2025 to April 2026 and will have no impact on the ongoing operation of the buildings (ibid., para. 40).

9. The Advisory Committee was informed, upon enquiry, that force majeure events included weather-related delays caused by the El Niño rains in Kenya and flooding in Valencia, Spain, and did not result in any significant impact on the project schedule in respect of the new building component. The Committee was also informed, with regard to defects liability provisions, that the potential for contractor claims and the need for mediation and/or arbitration was not expected by the United Nations Office at Nairobi, and that, to date, there have not been any other construction contracts which have necessitated referral for arbitration under United Nations Commission on International Trade Law (UNCITRAL) rules.

10. **The Advisory Committee notes that the forecasted substantial completion date of December 2025 for the project is maintained. The Committee trusts that the United Nations Office at Nairobi will continue to closely monitor and mitigate all project risks to ensure that the project is delivered within the approved timeline.**

Risk management

11. Information on project risk management is provided in section IV of the report of the Secretary-General. It is indicated that the Global Asset Management Policy Service facilitated independent risk management services for the A–J project from November 2017 to November 2024. Upon enquiry, the Advisory Committee was informed that, following the expiry of the related contract, risk management services and oversight will be provided by the Service, using in-house capacity. Given the advanced state of project completion, a Monte Carlo simulation² is no longer necessary (A/80/202, para. 17), and two project risks remain, namely: (a) schedule risk, relating to possible slippages linked to flexible workspace strategies conversions and logistics; and (b) cost volatility of furniture and information and communications technology equipment, which could impact the fit-out of office blocks (ibid., paras. 19 and 20).

Local knowledge and locally sourced materials

12. With regard to local knowledge and locally sourced materials, the Secretary-General indicates that construction works for the remaining components continue to utilize locally sourced materials, including prefabricated hollow core elements, ceramics and steel structures. In addition, the A–J project team continues to pursue synergies with the conference facilities project at the United Nations Office at Nairobi, namely on technical evaluation support, recruitment and concept design. Sharing of lessons learned between the two projects led to the conference facilities project demolition contractor being utilized for the demolition of buildings A–I in a phased manner (ibid., paras. 23 and 24). **The Advisory Committee notes the continued use of locally sourced materials and expertise in the project.** Further information on lessons learned is provided in section V below.

III. Project governance, staffing and accountability

Project governance

13. Section III of the report of the Secretary-General provides information on project governance, management and accountability. The Advisory Committee notes that the established governance structure (see A/79/267, para. 6) remains unchanged, and that stakeholder committee meetings were held in September 2024 and in February and June 2025. Coordination is continuing with the Global Asset Management Policy Service at Headquarters, with biweekly coordination and progress meetings and quarterly risk touchpoint meetings on the risk register and project cost plan, as well as on risk mitigation measures.

² A Monte Carlo simulation is 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 (A/76/7/Add.11, para. 15 (footnote)).

Project staffing

14. Paragraph 11 of the report of the Secretary-General contains an overview of the 13 project positions (1 P-5, 1 P-4, 3 P-3, 2 National Professional Officer, 6 Local level) originally approved for the project. It is indicated that partial retention of the project management team, reduced to 5 positions (1 P-5, 1 P-3, 2 National Professional Officer and 1 Local level), is proposed for a limited duration in 2026, with the remaining defects liabilities activities handed over to the Facilities Management Section of the United Nations Office at Nairobi. In addition, the team will remain augmented by eight positions (3 P-3, 5 Local level) funded by UNHCR to support the construction of the UNHCR blocks ([A/80/202](#), para. 13). Based on table 1 of the report of the Secretary-General, the table below provides details of the incumbency of project positions since the project's inception (see table 1).

Table 1
Project management positions: incumbency from project inception

<i>Positions</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026 planned</i>
Project Manager (P-5)	–	Encumbered from October	Encumbered	Encumbered	Vacant from September	Encumbered from February	Encumbered	Encumbered	Encumbered until January
Space Planner Coordinator (P-4)	Encumbered from October	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered until December	–
Structural/Civil Engineer (P-3)	Vacant	Encumbered from February	Encumbered	Encumbered	Vacant from September	Encumbered from September	Encumbered	Encumbered until December	–
Procurement Officer (P-3)	–	Encumbered from August	Encumbered	Encumbered	Encumbered	Encumbered from November	Encumbered	Encumbered	Encumbered until March
Safety and Security Officer (P-3)	–	–	–	–	Vacant	Vacant	Encumbered from June	Encumbered until December	
Logistics Officer (NPO)	–	Vacant	Vacant	Encumbered from November	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered until March
Administrative Officer (NPO)	–	Vacant	Vacant	Vacant	Vacant	Encumbered from October	Encumbered	Encumbered	Encumbered until June
Clerk of Works (LL)	–	Vacant	Vacant	Encumbered from June	Encumbered	Encumbered	Encumbered	Encumbered until December	–
Senior Administrative Assistant (LL)	–	Vacant	Vacant	Vacant	Vacant	Encumbered from September	Encumbered	Encumbered	Encumbered until March
Security Guard (LL)	–	–	Vacant	Encumbered from September	Encumbered	Encumbered	Encumbered	Encumbered until February	
Security Guard (LL)	–	–	Vacant	Encumbered from February	Encumbered	Encumbered	Encumbered	Encumbered until February	
Security Guard (LL)	–	–	Vacant	Encumbered from February	Encumbered	Encumbered	Encumbered	Encumbered until February	
Security Guard (LL)	–	–	Vacant	Encumbered from April	Encumbered	Encumbered	Encumbered	Encumbered until February	
Project Coordinator (P-3) ^a	–	Vacant	Vacant	Vacant	Vacant	Vacant	–	–	–

Abbreviations: LL, Local level; NPO, National Professional Officer.

^a The Project Coordinator (P-3) position was abolished pursuant to General Assembly resolution [78/253](#).

15. Upon enquiry, the Advisory Committee was informed that the United Nations Office at Nairobi has to date not made use of academia or design students for A–J project services, and the project was managed by the dedicated project management team and contracted project consultants. The Office continues, however, to routinely engage interns to support projects, including the A–J project and other Facilities Management Section-related activities. **The Advisory Committee notes that the planned reduction of the project management team to five positions will result in lower expenditure under posts and trusts that the related update will be provided to the General Assembly at the time of its consideration of the present report and in the next progress report.**

Project accountability

16. It is indicated in the progress report that an Office of Internal Oversight Services (OIOS) audit of the new building component is currently under way and that the Board of Auditors reviewed the project as part of its audits of the 2023 and 2024 financial statements. Annex I to the progress report provides a summary of follow-up actions taken to implement decisions of the General Assembly, including those based on recommendations of the Advisory Committee. **The Advisory Committee notes that an OIOS audit of the new building component is under way and trusts that lessons learned from the final report will be disseminated to other ongoing United Nations capital construction projects, including the United Nations Office at Nairobi conference facilities project (see also sect. V below).**

IV. Project expenditure and anticipated costs

17. Section VI of the report of the Secretary-General contains information on project expenditure and anticipated costs. The estimated total cost of the project amounts to \$66,260,100, unchanged from the maximum overall cost indicated in the previous progress report ([A/79/267](#)). Annexes to the report of the Secretary-General provide: in annex II, the updated project cost plan; in annex III, information on the evolution of resources in cost plans; and, in annex IV, monthly expenditure since inception of the project to 30 June 2025 and total expenditure as at the same date.

18. The revised cost plan for the project for 2026 amounts to \$66,024,400, representing a decrease in requirements of \$118,100, compared with the previous cost plan of \$66,142,500 in the previous progress report. This reduced requirement, which will generate an avoidance in appropriation for the same amount, along with the unused balance of \$220,100 for contingency (see paras. 22 and 24 below), would result in total savings of \$338,200.

Expenditure in 2025

19. The status of expenditure for the project as at 30 June 2025 and the projected expenditure for the remainder of 2025 are provided in table 3 of the progress report (see table 2).

Table 2
Status of expenditure as of 30 June 2025 and projection for the remainder of 2025

(Thousands of United States dollars)

	(1)	(2)	(3)	(4)	(5)=(3)+(4)	(6)=(1)+(2)-(5)
	<i>Appropriation for 2018–2025</i>	<i>Drawdown of contingency and other adjustments</i>	<i>Cumulative expenditure as at 30 June 2025</i>	<i>Projected expenditure from 1 July to 31 December 2025</i>	<i>Total projected expenditure for 2018–2025</i>	<i>Projected unused balance at the end of 2025</i>
Section 33, Construction, alteration, improvement and major maintenance						
1. Construction costs	52 096.9	522.4	49 305.4	3 313.9	52 619.4	–
2. Professional services	5 571.5	(432.1)	5 047.3	92.2	5 139.4	–
3. Escalation	–	–	–	–	–	–
4. Contingency	751.0	(90.3)	–	–	–	660.7
Subtotal, section 33	58 419.4	–	54 352.6	3 406.1	57 758.8	660.7
Section 29D, Administration, Nairobi						
5. Project management	6 991.1	–	6 440.1	547.3	6 987.4	3.7
Subtotal, section 29D	6 991.1	–	6 440.1	547.3	6 987.4	3.7
Section 34, Safety and security						
6. Security requirements	613.9	–	465.4	43.2	508.6	105.3
Subtotal, section 34	613.9	–	465.4	43.2	508.6	105.3
Total	66 024.4	–	61 258.2	3 996.6	65 254.8	769.7

20. An amount of \$769,700 is projected to remain unused at the end of 2025, reflecting primarily the remaining project contingency. **The Advisory Committee trusts that an update on the latest expenditure information (see also para. 15 above) will be provided to the General Assembly at the time of its consideration of the present report.**

Resource requirements for 2026

21. Table 4 of the progress report provides the resource requirements for 2026, amounting to \$769,700 (see table 3).

Table 3
Resource requirements for 2026

(Thousands of United States dollars)

	(1)	(2)	(3)	(4)=(1)-(2)-(3)
	<i>Projected expenditures in 2026</i>	<i>Projected unused balance at the end of 2025</i>	<i>Drawdown of contingency and other adjustments</i>	<i>Net funding in 2026</i>
Section 33, Construction, alteration, improvement and major maintenance				
1. Construction costs	—	—	—	—
2. Professional services	—	—	—	—
3. Escalation	—	—	—	—
4. Contingency	220.1	660.7	(440.6)	—
Subtotal, section 33	220.1	660.7	(440.6)	—
Section 29D, Administration, Nairobi				
5. Project management	549.6	3.7	545.9	—
Subtotal, section 29D	549.6	3.7	545.9	—
Section 34, Safety and security				
6. Security requirements	—	105.3	(105.3)	—
Subtotal, section 34	—	105.3	(105.3)	—
Total	769.7	769.7	—	—

22. The resources proposed for 2026 would comprise an amount of \$549,600 under section 29D, Administration, Nairobi, for the continuation of the project management team, and \$220,100 for the residual amount of the contingency, under section 33, Construction, alteration, improvement and major maintenance. It is proposed that the projected unused contingency at the end of 2025, amounting to \$660,700, along with a transfer of \$105,300 from the unused balance related to the funding previously provided under section 34, Safety and security, be used to fund the cost of the residual project team (A/80/202, paras. 47 and 48).

23. Upon enquiry, the Advisory Committee was informed that 2026 requirements did not include amounts to be withheld for the contractor until the end of the defects liability period as the related funds will have already been committed in 2025. The Committee was informed, however, that retention withheld for the contractor of the new office buildings amounted to 5 per cent of the final total amount for construction.

Contingency

24. It is indicated that, following the drawdown of \$440,600 from the project unused contingency amount (see para. 22 above), an amount of \$220,100 will remain unused as contingency and will be returned to Member States upon final project completion in 2026. **The Advisory Committee, recalling the provisions of para. 11 of General Assembly resolution 79/297, as well as its view (A/79/7/Add.11, para. 34) on the use of the contingency provision, underscores that all efforts should be made to limit the use of the contingency provision and trusts that the Secretary-General will provide an update to the Assembly on the planned use of the contingency provision in the context of its review of the present report.**

V. Lessons learned

25. The Secretary-General indicates in his report that, upon substantial completion of the A–J project in 2026, the Global Asset Management Policy Service will facilitate a lessons learned workshop, with the outcomes to be shared in the next progress report ([A/80/202](#), para. 25). Upon enquiry, the Advisory Committee was informed of several lessons learned in the course of the A–J project, summarized as follows: (a) the value of strong governance and stakeholder engagement; (b) integrating the project team with the Facilities Management Section of the United Nations Office at Nairobi for knowledge transfer; (c) phased workspace pilots to control costs and scope; (d) strategically packaging and sequencing works for efficiency; (e) managing issues in real time; and (f) dividing the project into smaller components to maintain continuous delivery. The Committee was further informed that the Service organizes a lessons learned workshop for construction projects once they reach substantial completion and is planning to undertake a major revision to its guidelines for the management of construction projects, last updated in 2021, to be shared with other construction projects. In this regard, the Committee recalls the intention of the Office to prepare a report on lessons learned and share it with the Service as a reference for future United Nations capital construction projects ([A/79/267](#), para. 25). Aside from the lessons learned workshop, it was indicated to the Committee that the Office is not planning for or currently considering any other post-project evaluation activities. Some of the lessons identified and learned during the implementation of the A–J project have already been proactively integrated into remaining stages of the A–J project, while others continue to be shared with the conference facilities project.

26. The Advisory Committee, noting the synergies between the A–J project and the conference facilities project at the United Nations Office at Nairobi, trusts that lessons learned as part of the A–J project will continue to be shared with the conference facilities project and among other United Nations capital construction projects, as appropriate. The Committee also recalls the planned lessons learned report from the United Nations Office at Nairobi and trusts that the report will be shared with the Global Asset Management Policy Service and made available as part of the lessons learned workshop and for the updating of the guidelines for the management of construction projects.

VI. Conclusion and recommendations

27. The recommendations of the Secretary-General on proposed actions to be taken by the General Assembly are contained in paragraph 51 of the progress report, whereby the Assembly is requested to take note of the report of the Secretary-General. **Subject to its observations and recommendations above, the Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General.**
