



# General Assembly

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## Eightieth session

Item 137 of the provisional agenda\*

### Proposed programme budget for 2026

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

### Ninth 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 an advance version of 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/80/281](#)). During its consideration of the report, the Committee received additional information and clarification, concluding with written responses dated 21 August 2025.

#### Approved project costs, scope and schedule

2. The Advisory Committee recalls that, in its resolution [77/263](#), the General Assembly decided to commission the design work for the conference facilities project on the basis of option B (see para. 3 below), without prejudice to any future decisions regarding the construction phase of the project, and decided to establish a multi-year construction in-progress account for the project.

3. The Advisory Committee further recalls that, in its resolution [78/253](#), the General Assembly approved the maximum overall cost of the project in the amount of \$265,659,200. In the same resolution, the Assembly approved the scope of option B for the project: to meet the long-term projected capacity requirements, as a scalable option expanded from option A,<sup>1</sup> for events with 9,000 in-person participants, with an estimated project area of approximately 95,700 m<sup>2</sup>, encompassing the scope of option A and additional multifunctional pavilions on the western landscaped area, as well as

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

<sup>1</sup> Option A: To meet the immediate and short-term projected capacity requirements, for events with 7,000 in-person participants, with an estimated project area of approximately 66,300 m<sup>2</sup>, including roads, pathways, landscaping, a new main assembly building, new rooftop conference rooms, the renovation of existing conference rooms, a new media centre and a new visitors and delegates entry building for conference events.



additional rooftop conference rooms ([A/78/382](#) and [A/78/382/Corr.1](#), para. 3). The Assembly also approved the recommended implementation strategy and schedule for the project, as follows (*ibid.*, paras. 74–76, figure II and table 4):

- (a) Planning and design phase (June 2021–January 2026);
- (b) Construction phase (May 2025–September 2029), including three distinct phases: (i) early work and new construction; (ii) renovation of existing buildings; and (iii) linkages (of phases 1 and 2);
- (c) Closeout phase (October 2029–September 2030).

## II. Progress report of the Secretary-General

4. The report of the Secretary-General is the fourth progress report on the conference facilities project since the General Assembly approved the commencement of the project design at the seventy-seventh session and covers the reporting period from 1 September 2024 to 30 June 2025. The report presents progress made during the reporting period, a proposed project name for the approval by the Assembly (see para. 6 below), a revised project implementation strategy and schedule (see paras. 7–12 below) and an updated cost plan. The report also contains information on a review of the functions and capabilities of the Global Asset Management Policy Service of the Department of Management Strategy, Policy and Compliance (see sect. VIII below).

5. **The Advisory Committee notes the progress made under the project during the reporting period. The Committee recalls that the General Assembly has acknowledged the need to address the deteriorating conditions and limited capacity of the conference services facilities at the United Nations Office at Nairobi and the urgent need to implement the project in a timely manner to address the situation, increase its utilization and to bring the Office to a standard consistent with other United Nations headquarters (Assembly resolution [79/258 A](#), sect. XII, para. 4).**

## III. Project name

6. In its resolution [79/258 A](#) (sect. XII, para. 5), the General Assembly stressed that the construction project was entitled “Addressing the deteriorating conditions and limited capacity of the conference services facilities at the United Nations Office at Nairobi” and requested the Secretary-General to submit options for a possible project name in the context of the next annual progress report for consideration by the Assembly. The Secretariat proposes that the project be named the “United Nations Office at Nairobi Conference Facilities Project”, which, as a short form of the previous title, accurately captures the scope of the project. The Assembly is requested to approve the proposed name of the project as the United Nations Office at Nairobi Conference Facilities Project ([A/80/281](#), paras. 3 and 85).

## IV. Revised implementation strategy and impact

### Changes in the phases of the project implementation strategy

7. The Advisory Committee recalls that the construction phase at the time of the approval of the project comprised three distinct phases: (a) early work and new construction; (b) renovation of existing buildings; and (c) linkages (of phases 1 and 2) (see para. 3 above). The report of the Secretary-General indicates that the further

development of a project phased implementation strategy led to several adjustments in the design, procurement and construction phasing breakdown structure and the overall work breakdown of the project schedule. Consequently, the construction phase has been restructured into (a) early works, (b) phase 1: new buildings, including new construction, as well as Conference South renovation; and (c) phase 2: Conference North renovation. The previously planned phase 3 linkages (old and new) will be removed owing to changes in the phasing strategy (A/80/281, paras. 72 and 73). As outlined in table 4 of the report of the Secretary-General, the components of each phase of the project consist of the following:

(a) Early works: (i) construction contractors' site set-up; (ii) construction of the new car park; (iii) construction of portions of the new electromechanical site-wide infrastructure that will service the entire project scope; and (iv) construction of a temporary VIP/delegates vehicular drop-off area;

(b) Phase 1, New buildings: (i) construction of the new multipurpose pavilion, security pavilion and visitors centre; (ii) construction of the new Assembly Hall and main entry building; (iii) construction of the new taxi and bus drop-off area and road access; and (iv) renovation of the existing delegates lounge and cafeteria in the Conference South building;

(c) Phase 2, Conference North: (i) renovation and refurbishment of the existing Conference North (west and east) buildings; (ii) renovation of the existing central courtyard; and (iii) construction of the new staff square.

8. According to the information provided to the Advisory Committee upon enquiry, compared with the previous strategy: (a) the duration of phase 1 is now much longer, as it includes both new construction and renovation (the previous phase 1 included only new construction); (b) the duration of phase 2 remains unchanged; and (c) phase 3 linkages is no longer a separate phase, given that most of the related work is now included within phase 1, with limited works included in phase 2. According to the Secretariat, whereas in the previous schedule a "clean break" was envisaged between new construction and renovation work, the inclusion of both new construction and renovation works in each phase is aimed at ensuring business continuity (see also para. 10 below). The Committee was also informed that, as forecasted in the previous report of the Secretary-General (A/79/345, para. 97), the project schedule had been refined to include subphases within each phase and adjustments to the start and end dates of each, also allowing for overlaps when beneficial for the project. According to the information provided to the Committee, the refined schedule includes the following six subphases, as follows:

"Phase 0 – Early works";

"Phase 1 – Multipurpose Pavilion";

"Phase 1A – Conference South, Assembly Hall + Visitors Centre";

"Phase 1B – Conference South";

"Phase 2A – Conference North-east";

"Phase 2B – Conference North-west".

## Adjustments in the project schedule

9. The report of the Secretary-General also indicates that, owing to the phased implementation strategy, several adjustments were made in the breakdown structure of the project, as reflected in the figure, which shows the latest detailed breakdown for the design, procurement and construction phases.

## Project schedule as at 30 June 2025

Phase/year	Start	End	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Planning and design phase</b>												
Planning	1 Jun 2021	15 Sep 2023										
Procurement: design	1 Jun 2021	15 Sep 2023										
Design and documentation	1 Sep 2022	15 Sep 2023										
Procurement: Early Works	1 Sep 2022	15 Sep 2023										
Procurement: construction	18 Sep 2023	30 Jun 2025										
Phase 1: Multipurpose Pavilion	18 Sep 2023	7 May 2026										
Phase 1: Conference South	1 Jul 2024	30 Mar 2025										
Phase 2: Conference North	11 Nov 2024	31 Jul 2025										
Construction phase	3 Feb 2025	30 Sep 2029										
Early Works	1 May 2025	31 Jan 2026										
Car park at football field	3 Feb 2025	4 May 2025										
Early Works	1 Aug 2025	31 Jul 2026										
Phase 1: new buildings	1 Feb 2026	31 Jul 2027										
Multipurpose Pavilion	1 Nov 2025	12 Sep 2026										
Conference South	15 Jul 2026	20 Oct 2028										
Decant to new buildings	1 Aug 2027	30 Sep 2027										
	1 Nov 2028	31 Dec 2028										
Phase 2: Conference North	1 Oct 2027	31 Mar 2029										
	1 Apr 2028	30 Sep 2029										
Phase 3: linkages (old and new)	1 Apr 2029	30 Sep 2029										
	not required	not required										
Closeout phase	1 Oct 2029	30 Sep 2030										
Closeout	1 Oct 2029	30 Sep 2030										
	1 Oct 2029	30 Sep 2030										

Schedule according to A/79/345

Schedule according to the present report

10. Table 5 of the report of the Secretary-General provides a comparison of the milestone dates in the updated project schedule as compared with the previous report of the Secretary-General. According to the report, the overarching reason for the schedule adjustments is the consideration of business continuity requirements during construction, especially the availability of conference rooms. In addition, the detailed schedule has been adjusted to account for key meetings, such as the seventh and eighth sessions of the United Nations Environment Assembly (A/80/281, para. 76). **While it is indicated that the adjustments to the project schedule have resulted in no changes to the projected end date of the project, the Advisory Committee notes from table 5 of the report of the Secretary-General that some of the phases and subphases have been either extended or rescheduled for additional periods ranging from 4 to 22 months.**

11. The Advisory Committee notes that, with progress in the project design, significant changes have been made to the project implementation strategy presented in the report of the Secretary-General (A/78/382 and A/78/382/Corr.1), which was approved by the General Assembly. The Committee further notes that overall schedule slippage owing to the interdependency of project phases is identified as the top risk for the project (see para. 18 below). The Committee trusts that more detailed information will be provided to the Assembly on all the changes to the project, including construction phasing breakdown and schedule at the time of its consideration of the present report (see para. 7 above), as well as in the next annual progress report of the Secretary-General. The Committee trusts that any future changes to the project will be clearly presented and explained in the progress reports of the Secretary-General. The Committee reiterates that the Secretary-General should continue to closely and proactively monitor and mitigate risks to ensure the delivery of the project within the scope, budget and timeline approved by the Assembly (A/79/7/Add.13, para. 25).

12. The Advisory Committee also notes some inconsistent descriptions and terminology used in the presentation of the project implementation strategy and schedule. For example, the rooftop conference rooms approved in the project scope are now referred to as rooftop pavilions (see para. 3 above and annex VII to the report (A/80/281); and the new phase 1 is referred to as “new buildings”, while renovation is now included in the phase (see para. 7 (b) and the figure above). Further clarity is also needed as to whether phase 0 is part of the schedule, as it is not defined as such in the report, and as to whether it includes a subphase 0A (see para. 8 above and para. 30 below). In addition, information on the project would benefit from the provision of a table that includes the scope of all phases and subphases, with reference to each building under construction or renovation, and the related timeline for construction and renovation, as well as from a rendering that captures the names of the different buildings that are part of the scope of the project. **The Advisory Committee is of the view that, with the revised implementation strategy and the start of the construction and renovation, the presentation of consistent and precise terminology, comprehensive description and rendering of the project schedule, scope and its phases and subphases is needed for a clear understanding and tracking of implementation status. The Committee trusts that the aforementioned information will be provided to the General Assembly at the time of its consideration of the present report, as well as in the next report of the Secretary-General (see also para. 11 above).**

## Procurement activities

13. Information on the procurement activities is provided in paragraphs 50 to 56 of the progress report, including the following:

(a) Design services (contract awarded in September 2023 and amended in July 2024. The consultant is currently completing the fourth and final design stage of the project (technical documentation) for phase 1 construction activities and is scheduled to begin stage 5 services (construction administration) for the early works in August 2025;

(b) Risk management services (contract awarded in October 2024; see para. 17 below);

(c) Programme management services (contract awarded in July 2024);

(d) Construction services (contract finalization is anticipated for August 2025). During the reporting period, the project team made progress in ensuring that the procurement activities related to construction services for the early works and main works phase 1 remain on track. A project acquisition plan for upcoming construction services contracts has been developed.

14. Concerning adjustments in the procurement phasing as a result of the revised project implementation strategy (see para. 7 above), the Advisory Committee was informed that the project team had opted to divide the scope of construction into multiple packages, which was determined to be the most cost-effective way to execute the project while diversifying risk over multiple contractors, because of the inherent risks involved in the construction industry, as well as the business continuity requirements of the project. According to the Secretariat, the same or a similar strategy had been used by the Organization at recent construction projects in Geneva, Addis Ababa and Nairobi, all of which had multiple phases and multiple contractors. The United Nations Office at Nairobi intends to issue the tender packages separately, with each subject to the full procurement process in accordance with the United Nations Financial Regulations and Rules, including procurement guidelines and ethical standards. The Office also intends to mitigate risks by exercising sound project

and contract management principles, including clearly defined scopes, performance and coordination. As is common practice, the Office will include liquidated damage clauses and other penalty clauses in the construction contracts for the project. According to the Office, its risk mitigation strategy is not based on isolated checks but on a continuum of safeguards, from pre-award screening to post-award accountability (see also para. 20 below).

15. The Advisory Committee trusts that the Secretary-General will ensure oversight, transparency and strict adherence to the relevant legislative framework in the procurement of goods and services for the project (A/79/7/Add.13, para. 21). The Committee also trusts that detailed information on the procurement process and construction service contracts, including any award of multiple contracts, will be provided to the General Assembly at the time of its consideration of the present report and in the next progress report (see also para. 22 below).

16. The Advisory Committee also encourages the Secretary-General to continue to incorporate local knowledge, technology, capacity and the use of locally sourced and manufactured materials, as well as local labour and expertise, throughout the implementation of the project and provide updates on efficiency gains thereon in future progress reports (see also resolution 79/258 A, sect. XII, para. 8).

## V. Project risk management

### Independent risk management consultancy services

17. The Advisory Committee recalls that a revised tender action was scheduled in 2024 for the independent risk management consultancy services to avoid a potential conflict of interest (A/79/7/Add.13, para. 19). The Secretary-General indicates that the contract for the provision of independent risk management consultancy services was awarded in October 2024. The firm has produced a project risk management strategy and is currently in the process of developing a quantitative risk analysis (A/80/281, para. 52). Upon enquiry, the Committee was informed that the contract was ultimately awarded to Deloitte Financial Advisory Services, based in the United States of America, for a period of two years.

### Risk management

18. It is indicated that the project team developed the first comprehensive integrated risk register, which captures 35 risks, ranging from design to procurement, construction and other related risks. Mitigating actions and risk owners are also identified in the register, which contains a quantitative analysis of the potential cost and schedule impact should a risk materialize. As reflected in the report of the Secretary-General (ibid., paras. 28–38 and table 3), the current top five project risks relate to: (a) risk 1: overall schedule slippage owing to the interdependency of project phases (see para. 11 above); (b) risk 2: coordination or communication issues among the design consultancy team and/or project team; (c) risk 3: owner-directed changes (see para. 24 below); (d) risk 4: cash flow challenges related to liquidity constraints in the organization; and (e) risk 5: identification and engagement of contractors with requisite capacity (see para. 21 below).

19. During the reporting period, the project, supported by the independent risk management firm, hosted a risk management workshop, comprising local stakeholders, design consultants and programme management services consultants



(ibid., para. 26). A tailored anti-fraud and anti-corruption training course conducted by the International Federation of Consulting Engineers Academy was rolled out in May 2025 to all project staff, key consultants and key stakeholders of the United Nations Office at Nairobi (ibid., para. 40). Upon enquiry, the Advisory Committee was informed that the training was a new activity that the project team decided to undertake in a concerted effort to uphold the highest standards of ethics and integrity. Through interactive exercises and realistic scenarios, the training was aimed at equipping participants with the practical skills, knowledge and soft tools to enable them to recognize, remove and resolve any early signs of potential unethical practices. The Office strived to be proactive in mitigating against fraudulent and corrupt practices during the project implementation.

**20. Noting the efforts undertaken by the United Nations Office at Nairobi, including the anti-fraud and anti-corruption training for project staff, consultants and stakeholders, the Advisory Committee trusts that the Secretary-General will continue to closely and proactively monitor and mitigate risks, to ensure the delivery of the project within the scope, budget and timeline approved by the General Assembly. The Committee reiterates the importance of the conference facilities project being supported, from its early phases, by effective and transparent risk management tools and of risks being adequately identified and mitigated to avoid additional costs at each stage of the project. To this end, the Committee reiterates its view that the Secretary-General should identify the most appropriate tool for this project, based on his review and evaluation of the statistical risk management methodologies and lessons learned across all United Nations construction projects, and provide information thereon in the next progress report (A/79/7/Add.13, para. 25).**

21. With respect to risk 5: identification and engagement of contractors with requisite capacity, upon enquiry, the Advisory Committee was informed that, while identifying and engaging contractors with requisite skill is a general challenge for construction projects globally, based on lessons learned from capital projects recently undertaken and successfully completed in Nairobi at the United Nations Office at Nairobi, in Addis Ababa at the Economic Commission for Africa and in Arusha at the International Residual Mechanism for Criminal Tribunals, as well as the general health of the construction industry in Nairobi, the project team considers that identifying skilled contractors is not only feasible, but likely. As the Office has not prescribed a specific contractor arrangement for the delivery of the construction services, bidders may submit proposals as individual entities, joint ventures or main contractors with subcontractors. This approach is intended to foster broad participation and accommodate a range of market capacities and delivery models. While it is conceivable that the outcome may result in the engagement of two to three contractors, this remains indicative rather than prescriptive. The final number and composition of contract awards will ultimately be guided by the results of each procurement exercise and by the evaluation of offers received in line with applicable rules and procedures. In making any procurement recommendation, the Office will assess a range of factors, including current and cumulative contract awards, to ensure that risks are appropriately managed and that each package is awarded in line with the principle of best value for money and the overall interest of the Organization.

**22. The Advisory Committee notes the approach adopted for the procurement of construction works with bidding separation into multiple packages (see para. 14 above), and that final number and composition of contract awards will ultimately be guided by the results of each procurement exercise. The Committee notes that the approach by the United Nations Office at Nairobi is intended to foster broad participation and accommodate a range of market capacities and delivery models and that the Office will assess a range of factors, including**

current and cumulative contract awards, to ensure that risks are appropriately managed. The Committee trusts that updated information on the procurement exercise will be provided to the General Assembly at the time of consideration of the present report, and in the next progress report, which will also include a fuller assessment of procurement outcomes and comparative benefits of the packaging strategy against possible risks related to management of multiple project packages and contractors.

## Lessons learned

23. It is indicated that the project team is documenting lessons learned and best practices collected since the start of the project, and those from other similar global and regional construction projects. The project team also continues to identify potential linkages and synergies between this project and the project for the replacement of office blocks A to J, and to benefit from its interaction with members and stakeholders of the replacement project, given that the new building component of that project was completed on time and within budget in April 2025 and serves as an exemplar of the efficient and successful delivery of construction services at the United Nations Office at Nairobi ([A/80/281](#), paras. 47–49).

24. Concerning risk 3, owner-directed changes, upon enquiry, the Advisory Committee was informed that the project team would take measures with a view to keeping the risk of owner-directed changes at a low level, such as: (a) continued stakeholder engagement workshops held at key design stages whereby decisions regarding the project are endorsed and signed off against, and stakeholder comments are actioned and implemented; (b) development of visual aids, 3D renderings and prototypes of the project at various stages, thereby facilitating stakeholders' appreciation and deeper understanding of the project; and (c) education of project stakeholders on the potential negative impact of change orders on the project. It was indicated to the Committee that the inclusion of the risk of owner-directed change orders as one of the top risks in the risk management strategy provides an impetus for stakeholders to remain fully engaged during the early design stages. The Committee recalls that, following the completion of the capital master plan construction, the Organization was engaged in two arbitration proceedings and paid for subcontractors' claims that largely arose from change orders or amendments to the construction that altered the scope of work of the subcontractors (see [A/79/551](#), paras. 1 and 7, [A/75/302](#), para. 19).

25. **The Advisory Committee reiterates that applicable lessons learned and best practices from other United Nations construction and renovation projects will be applied throughout this project. Furthermore, the Committee encourages the Secretary-General to continue to identify potential linkages and synergies between this project and the project for the replacement of office blocks A to J, or any other project under section 33, Construction, alteration, improvement and major maintenance, of the programme budget, particularly as it nears completion (see [A/79/7/Add.13](#), para. 26).**

26. Upon enquiry, the Advisory Committee was informed that the United Nations Office at Nairobi was preparing a virtual business seminar for the conference facilities project to raise awareness, demystify the procurement process and build confidence and capability and would also use this platform to urge prime contractors to make a good-faith effort to consider gender and diversity in their project delivery. **The Advisory Committee trusts that lessons learned from other construction projects on efforts to promote the participation of women, including vendor diversity, will be applied to the conference facilities project at the United Nations Office at Nairobi (see [A/79/7/Add.9](#), para. 18).**



## VI. Project governance, oversight and management

27. The report of the Secretary-General indicates that the established project governance structure remains unchanged. During the reporting period, the project Advisory Board and Steering Committee each held three meetings and were provided with regular updates covering various aspects of the project, including the project design, phasing strategy, schedule, budget, sustainability and accessibility for persons with disabilities (A/80/281, paras. 12–15). It is also indicated that the Global Asset Management Policy Service continues to engage closely with the project management team and remains active in overseeing and supporting the project, with an emphasis on risk management, identification of cross-cutting issues and alignment with lessons learned and the promulgation of best practices from other United Nations projects (ibid., paras. 17 and 18). Upon enquiry, the Advisory Committee was informed that, taking into account the lessons learned from the strategic heritage plan and the replacement of office blocks A to J project, the United Nations Office at Nairobi has further strengthened the project governance structure for the conference facilities project (see A/76/400), including a Steering Committee consisting of Under-Secretaries-General and Assistant Secretaries-General of the Department of Management Strategy, Policy and Compliance, the Department for General Assembly and Conference Management, the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat).

28. During the reporting period, the Office of Internal Oversight Services (OIOS) audited the project, covering the period from January 2023 to October 2024 (A/80/281, para. 24). It stated that the audit showed that the United Nations Office at Nairobi had established appropriate mechanisms for governance, risk management and stakeholder consultation, and that the project monitoring and reporting was adequate. The OIOS recommendation for the United Nations Office at Nairobi to develop a project acquisition plan was considered closed as implemented in July 2025. Upon enquiry, the Advisory Committee was informed that the project would continue to be audited every year by the Board of Auditors as part of the annual audit of the United Nations Office at Nairobi.

29. **The Advisory Committee recalls that, in its resolution 79/258 A (sect. XII, para. 13), the General Assembly stressed the importance of governance, effective oversight, transparency and accountability in the management of the project to ensure that the objectives of the project are achieved within the approved budget and time schedule. In the same resolution, the Assembly emphasized that the Global Asset Management Policy Service should continue to be actively involved in overseeing the project to ensure the central supervision of capital projects, including risk management and alignment with lessons learned (see sect. VIII below).**

## VII. Project costs, expenditure and resource requirements for 2026

### Expenditure for 2022–2025

30. For the period 2022–2025, it is projected that total project expenditure amounts to \$36,292,900 against the total appropriations of \$43,087,700, leaving a cumulative unused balance of \$6,794,800 at the end of 2025, owing mainly to underexpenditure for construction costs (A/80/281, para. 81 and table 6). Upon enquiry, the Advisory Committee was informed that the projected unspent balance for construction costs in 2025 was attributed to the change in the construction phasing strategy and the

consequent deferral of related expenditure: compared with the initial assumption that phase 0A (early works) would commence in May 2025 and phase 1 in September 2025, phase 0A is now scheduled to begin in August 2025 and phase 1 in November 2025.

31. An overexpenditure in the amount of \$802,400 under professional services is projected for the period 2022–2025, reflecting projected expenditure of \$18,692,100 against the provision of \$17,889,700. Upon enquiry, the Advisory Committee was informed that this was not an increase in the overall contract cost for the design consultant firm but a delay in the payment scheduled for 2024 to 2025, as the contract for design services was amended in July 2024 to extend the phases of stages 3 and 4 by an additional six months.

32. The report of the Secretary-General indicates that, while the overall cost plan for the project remains unchanged, annex II to the report contains a redistribution of costs in the years between 2025 and 2030 to reflect the related expenditure for construction costs, professional services and project management in line with the project schedule (*ibid.*, para. 81 and annex II).

**33. The Advisory Committee trusts that updated information on 2025 expenditures and unused fund balances will be provided to the General Assembly at the time of its consideration of the present report.**

## Resource requirements for 2026

34. Resource requirements for 2026 amounts to \$49,137,500 as reflected in table 7 of the progress report of the Secretary-General. Taking into account the anticipated unused balance of \$6,794,800 at the end of 2025, the net resource requirements to be appropriated for 2026 amount to \$42,342,700. The Advisory Committee requested and received a table on comparison on the overall costs by elements to previous reports since the approval of the project by the General Assembly at its seventy-eighth session (see table below). **To improve the reporting on the evolution of approved resources with changes overtime, the Advisory Committee trusts that future progress reports of the Secretary-General will include information, with an annual update, on comparison on the overall costs, by project element, to each of the previous reports since the approval of the overall project costs by the General Assembly at its seventy-eighth session.**

## Cost variances contained in the fourth annual progress report of the Secretary-General (A/80/281) as compared with previous reports

(Thousands of United States dollars)

	Overall project costs by element					Variance with costs approved by the General Assembly	Variance with the previous report of the Secretary-General (A/79/345)
	A/76/400 and A/76/400/Corr.1 (Option B)	A/77/367 and A/77/367/Corr.1 (Option B)	A/78/382 and A/78/382/Corr.1	A/79/345	A/80/281		
Construction costs: building	156 433.0	151 050.9	151 050.9	151 050.9	151 050.9	—	—
Professional services	24 849.2	23 872.5	32 010.3	32 010.3	32 010.3	—	—
Escalation	45 738.1	41 921.3	36 646.9	36 646.9	36 646.9	—	—
Contingency	27 059.8	22 148.2	21 534.3	21 534.3	21 534.3	—	—

	Overall project costs by element					Variance with costs approved by the General Assembly	Variance with the previous report of the Secretary-General (A/79/345)
	A/76/400 and A/76/400/Corr.1 (Option B)	A/77/367 and A/77/367/Corr.1 (Option B)	A/78/382 and A/78/382/Corr.1	A/79/345	A/80/281		
Conference facilities project management	24 378.0	25 976.6	23 727.1	23 727.1	23 727.1	—	—
Security requirements	564.3	689.7	689.7	689.7	689.7	—	—
<b>Total</b>	<b>278 905.0</b>	<b>265 659.2</b>	<b>265 659.2<sup>a</sup></b>	<b>265 659.2</b>	<b>265 659.2</b>	<b>—</b>	<b>—</b>

<sup>a</sup> Overall project costs approved by the General Assembly in resolution [78/253](#).

## VIII. Other matters relating to the conference facilities project

### Cooperation with the host country

35. The Secretary-General indicates that the Government of Kenya continued to facilitate significant additional infrastructure upgrades in the vicinity of the United Nations Office at Nairobi compound, which directly supported the objectives of the project. In November 2024, the Office discussed matters including the target of net-zero energy consumption by 2030 (see para. 37 below), which elicited a positive response from the Government ([A/80/281](#), para. 41). **The Advisory Committee acknowledges the support provided by the host country to the United Nations Office at Nairobi and the implementation of the project and trusts that the Secretary-General will continue to engage with the host country to ensure the success of the project ([A/79/7/Add.13](#), para. 4).**

### Voluntary contributions

36. It is indicated that, in November 2024, the United Nations Office at Nairobi issued a donor compendium to Nairobi-based Member States with the intent to solicit financial and in-kind contributions, with the deadline extended from 1 May to 1 July 2025. A total of six Member States have formally expressed interest in providing financial or in-kind contributions to the project in the form of decoration of room interiors with art, furniture and/or equipment, in alphabetical order: Egypt, Ghana, Kenya, Kyrgyzstan, Malaysia and Philippines ([A/80/281](#), paras. 42 and 43). Upon enquiry, the Advisory Committee was informed that several other Member States had informally expressed interest in donations and that the project team would follow up with those Member States in the coming months. **The Advisory Committee stressed the importance of continued engagement by the Secretary-General to seek both voluntary and in-kind contributions from Member States and other potential donors, drawing from lessons learned in other capital projects and in full compliance with all relevant rules and regulations, and looks forward to updated information in the next progress report ([A/79/7/Add.13](#), para. 5).**

## Environmental sustainability and project benefits

37. According to the report of the Secretary-General (A/80/281, paras. 8 (c) and 63), the design remains on track to meet key sustainability objectives, including net-zero energy. The project is aimed at generating approximately 3.1 GWh of renewable energy annually through a photovoltaic system, which is expected to provide a full electricity supply to the United Nations Office at Nairobi, thus avoiding electricity expenses for the compound for an annual saving of approximately \$500,000, based on 2025 rates, with a payback period of approximately seven to eight years for the photovoltaic system. In addition, it is anticipated that some 30 per cent of the generated energy will be exported to the Kenyan national grid and reimported when needed.

38. It is indicated that, during the reporting period, an environmental impact assessment was completed and yielded findings across all design aspects, including energy, water management, waste management, construction practices and biodiversity enhancement within the compound. The project team also defined the potential benefits of the project, including the key economic, environmental and operational benefits, and developed measurable indicators to evaluate the benefits. Some of the key quantifiable and non-quantifiable benefits identified are listed in the report of the Secretary-General (*ibid.*, paras. 6, 8 and 9). Upon enquiry, the Advisory Committee was provided with performance indicators to measure the potential quantifiable benefits of the project.

**39. The Advisory Committee recalls that the General Assembly has requested the Secretary-General to incorporate the envisaged renewable energy efficiency measures, wastewater treatment, solid waste management and water management into the project design (Assembly resolution 78/253, sect. XV, para. 6). The Committee trusts that information on the incorporation of the efficiency measures in the project design and the achievement of the identified key economic, environmental and operational benefits of the project will be reported in future progress reports of the Secretary-General.**

## Utilization rates of the conference facilities

40. Table 1 and figure 1 of the report of the Secretary-General provide the utilization rates of conference facilities over the past five years at the United Nations Office at Nairobi, with a relatively muted start to 2025. It is indicated that the growth in utilization experienced recently is unsustainable because the Office is having difficulties in keeping the facility operational. Conference Rooms 1, 2, 3 and 4 will be closed for essential business continuity works for a period of four to six weeks during 2025, and the use of Conference Room 1 will be limited to calendar conferences only (A/80/281, paras. 10 and 11). Upon enquiry, the Advisory Committee was informed that the Office had experienced an exceptionally high utilization of its conference facilities during the fourth quarter of 2023 and in February and May 2024. During 2024, its conference facilities were used for official calendar meetings of UNEP (23.8 per cent) and UN-Habitat (2.4 per cent), as well as meetings relating to the multilateral environmental agreements administered by UNEP (14.6 per cent), groups of Member States (14 per cent), United Nations agencies, funds and programmes (10.8 per cent), the United Nations Information Service (10.3 per cent) and other clients (24.1 per cent).

**41. The Advisory Committee notes the difficulties experienced by the United Nations Office at Nairobi in keeping the conference facilities operational pending the renovation of the facilities under the project. The Committee trusts that the**

Secretary-General will further strengthen his efforts, upon the completion of the construction and the renovation works, to attract more United Nations intergovernmental meetings and increase the utilization of the conference facilities. The Committee recalls that, in its resolution [79/258 A](#) (sect. XII, para. 17), the General Assembly reiterated the important role of the United Nations Office at Nairobi as a duty station of the United Nations, requested the Secretary-General to continue to ensure compliance with the general principle established in the headquarters rule, encouraged the Secretary-General to continue the efforts being made by the United Nations Office at Nairobi to attract more United Nations intergovernmental meetings to its facilities, as appropriate, and emphasized that the intergovernmental meetings should be given priority in using the facilities to further increase the utilization of the conference facilities.

## **IX. Review of the functions and capabilities of the Global Asset Management Policy Service**

### **Background**

42. The Advisory Committee recalls that, in the context of its review of capital investment planning, it considered the need for enhancing and strengthening existing technical coordination and oversight at Headquarters over capital projects, including through the establishment of a strong single technical coordination and oversight mechanism at the global level, comprising multidisciplinary expertise, supported by entity-level arrangements ([A/78/7/Add.20](#), paras. 59 and 60; see also [A/79/7/Add.15](#), para. 49).

43. In its resolution [79/258 A](#), the General Assembly endorsed the recommendation of the Advisory Committee that the Assembly request the Secretary-General to include in the proposed programme budget for 2026 a comprehensive assessment of the functions and capabilities of the Global Asset Management Policy Service and the division of labour and responsibilities of the Service vis-à-vis other entities at Headquarters involved in capital projects, as well as project owners at the duty stations away from Headquarters, as detailed in its previous report ([A/79/7/Add.13](#), para. 12).

44. Information on the evolution of Headquarters functions and resources dedicated to supporting major construction projects leading to the present Global Asset Management Policy Service is provided in the previous report of the Advisory Committee (*ibid.*, para. 9 and annex).

### **Phase I of the review undertaken**

45. Information on a review requested by the General Assembly is provided in annex VIII to the progress report of the Secretary-General ([A/80/281](#)), with the initial findings presented in paragraph 2 (a) to (f) of the annex. It is indicated that, given that no resources are available to engage external consultancy services, the Secretariat carried out an in-house review as a first step (or phase 1) towards addressing the request, which was undertaken by the Field Operations Finance Division of the Department of Management Strategy, Policy and Compliance based on a desk review of relevant reports of the legislative and oversight bodies on the Secretariat's major construction projects in recent years. In the light of the initial findings, the Global Asset Management Policy Service plans to focus its efforts in the coming year on the following six key areas, with a view to building: (a) internal structure and capacity; (b) a community of practice; (c) a culture of learning and improvement; (d) stronger

institutions and governance; (e) transparency; and (f) support capacities for field missions (ibid., annex VIII, paras. 2 and 3).

## Phase 2 of the review planned

46. The Secretariat intends to continue to review the capacities and processes, as well as the oversight, guidance and support that are required in the planning and execution of capital projects; however, such a comprehensive review will require more time and some resources. It is indicated that further results of the next phase of the review and any recommendations will be included in future reports of the Secretary-General on capital planning under section 33, Construction, alteration, improvement and major maintenance, of the programme budget in the upcoming periods (ibid., annex VIII, paras. 4 and 5).

47. Upon enquiry, the Advisory Committee was informed that, in phase 2 of the review, the Secretariat would further focus on the following aspects: (a) review with other Headquarters stakeholders to identify the systemic capacity gaps and institutional weak points that need to be strengthened in order to support capital projects to reduce risk and increase project confidence; (b) conduct a global scan of the operating models of capital planning and project oversight in other United Nations agencies, funds and programmes, other international organizations and national authorities that manage large facilities and infrastructure portfolios; (c) define the core competencies, deliverables and areas of responsibility of the Global Asset Management Policy Service, drawing from knowledge gleaned from the global scan; (d) identify concrete new measures to effectively manage a global portfolio of real estate, facilities and infrastructure of the United Nations in line with best practices in the industry and other international organizations; (e) evaluate what tools or instruments are needed to enhance Headquarters oversight over project performance, such as performing project health checks and predictive or diagnostic analyses; and (f) review the property management arm of the Global Asset Management Policy Service (which currently contains 7 posts), its complementarity with the capital functions of the Service, and its division of labour vis-à-vis the Department of Operational Support on property and asset management. In terms of managing projects and facilities, while the Department of Operational Support (through its Division of Administration) manages projects and facilities in New York, the Department of Management Strategy, Policy and Compliance (through the Global Asset Management Policy Service of the Field Operations Finance Division) manages a global portfolio of capital projects, including programming, planning, budget, project oversight and reporting to the General Assembly. **The Advisory Committee underscores the need for further delineation of roles of the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, including with respect to asset management and the management of capital projects (see also A/80/7, paras. VIII.5 and VIII.26), and trusts that further clarification in that regard will be provided in the context of the next report on capital investment planning (see para. 51 below).**

48. According to information provided to the Advisory Committee, the strength of the Global Asset Management Policy Service lies in its standard- and norm-setting ability and its oversight of a large capital asset portfolio, enabling a central, holistic and consistent approach to common issues. In the view of the Service, some of the functions hitherto performed individually by entities could benefit from being guided by a central capacity to promote harmonization. While the Service does not have authority to intervene in project implementation, should a risk of project delay or cost overrun emerge, the Service provides advice on mitigation measures and actively engages the project team to identify root causes and discuss solutions. To effectively



operate as a second line of defence, the Service considers that the following would be required: (a) strengthen the Service's capacities in architecture, cost estimation, real estate portfolio management; (b) clearly define the roles and responsibilities of the Service as well as the respective bodies, such as the Advisory Boards, Steering Committees, Stakeholders Committees, Headquarters departments and/or offices supporting the project, the project owner, project executive and the project team; (c) update the overall framework of oversight of construction projects, including clarifying the condition for the use of contingency and escalation, to increase consistency and transparency to Member States; and (d) increase the frequency of field visits of the Service to all construction projects subject to its oversight.

49. Upon enquiry, the Advisory Committee received information indicating that the Global Asset Management Policy Service was the author and custodian of the guidelines for the management of construction projects. The guidelines were developed in 2015 and issued in 2016, and last updated in 2021. They provided a source of guidance to the dedicated project management teams of a holistic construction project implementation framework from conception to completion. In the context of other construction progress reports, the Committee was informed that the Service is planning to undertake a major revision to the guidelines. The Committee notes that the expected major revision to the guidelines would constitute a five-year cycle review exercise. **While recognizing the diversity in scale, complexity and operating environments of the various construction projects, the Advisory Committee trusts that the Secretariat will capture and critically evaluate all lessons learned, identify best practices and update the construction guidelines, as necessary, and that updated information will be provided in the context of the next capital investment planning report. Furthermore, the Committee trusts that, in addition to major revisions over a five-year cycle, efforts will be undertaken for continuing updates to the document in a timely manner with a view to ensuring responsiveness to lessons learned and allowing new construction projects to benefit from the exercise.**

50. The Advisory Committee enquired as to whether there is a need to reconsider the governance and management arrangements for major capital projects, including construction, across the Organization. In particular, the Committee queried the feasibility of a dedicated capital budget framework supported by a tiered governance structure, including: a strategic mid- to long-term planning and oversight function; a strengthened central coordination capacity to support operational implementation; project-specific ownership at the point of delivery in line with the delegation of authority framework; and a dedicated risk management and assurance function. The Committee was informed that additional time would be required to develop such a coherent governance and management framework for major capital projects and that it would be considered in phase 2. The Secretariat noted that the review would also benefit from a global scan of the operating models of capital planning and project oversight used by other United Nations entities, international organizations and national authorities (see para. 47 (b) above). This work, it explained, would inform how to best institutionalize and capacitate a central policy, oversight and support mechanism within the United Nations Secretariat, drawing on the comparative advantages of departments and offices and in line with the delegation of authority framework (see [A/79/7/Add.15](#), para. 26).

51. **The Advisory Committee notes the completion of the first phase of the review and its initial findings and looks forward to the second phase, including proposals on a single Headquarters coordination mechanism with the requisite technical capacities. The proposals should be aimed at strengthening central oversight and coordination and ensuring accountability, transparency, coherence and the efficient management of resources across capital projects, and,**

in the light of the UN80 Initiative, should be pursued within existing resources (A/79/7/Add.13, para. 12). The Committee reiterates its view that the existing governance structure and accountability mechanism, in particular the roles and responsibilities of Headquarters as the second line of defence and of other entities in line with the relevant delegation of authority arrangements, should be further enhanced (see A/79/7/Add.15, para. 49). The Committee is further of the view that the findings and resulting proposals of the review should be presented in the context of the reports of the Secretary-General on capital investment planning.

## **X. Conclusion**

52. The actions requested of the General Assembly are contained in paragraph 85 of the report of the Secretary-General (A/80/281). **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; and (b) appropriate an amount of \$42,342,700 for the project in 2026, comprising \$38,929,200 under section 33, Construction, alteration, improvement and major maintenance; \$3,362,800 under section 29D, United Nations Office at Nairobi; and \$50,700 under section 34, Safety and security, of the proposed programme budget for 2026, which would represent a charge to the contingency fund.**

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