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Proposed programme budget for the biennium 2018–2019

Fourth annual progress report on the strategic heritage plan of the United Nations Office at Geneva

Twenty-sixth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2018–2019

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the fourth annual progress report of the Secretary-General on the strategic heritage plan of the United Nations Office at Geneva (A/72/521). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 20 November 2017.

2. The report of the Secretary-General is submitted pursuant to General Assembly resolution 71/272 A, in which the Assembly requested the Secretary-General to submit to it, at the main part of its seventy-second session, a progress report on the implementation of the project, outlining, inter alia, project expenditure and total costs. The report provides a summary of the planning and construction-related actions undertaken from 1 September 2016 to 31 August 2017 (A/72/521, para. 1).

II. Project governance and oversight

3. Section II of the report provides an update on project governance. It is stated that the Advisory Board held three meetings, in September 2016 and in March and June 2017, and that the Steering Committee held four meetings, in February, March, July and August 2017, to discuss key issues related to the project, such as change management, flexible workplace strategies and valorization (A/72/521, paras. 3–4).

4. The report states that risk management services are being revised to distinguish between independent risk management reviews and integrated risk management services, following a recommendation from the Board of Auditors and in line with a recommendation of the Advisory Committee (see A/71/622, para. 8).

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Independent risk management reviews are provided by a specialist consultancy firm, with quarterly reports to the project owner and the Office of Central Support Services at Headquarters. Integrated risk management specialists are deployed by the specialist consultancy firm and are co-located with the strategic heritage plan project management team (A/72/521, paras. 5–7).

5. The report indicates that the Board of Auditors has conducted two further audit visits to Geneva for audit evaluations of the project and issued a number of recommendations, including that the Administration adjust the governance structure to preclude any risk of conflicts of interest (see A/72/5 (Vol. I), para. 379). The report states that the governance structure for the project has been updated, with the Director of Administration acting as project executive, under the direction of the project owner, the Director-General of the United Nations Office at Geneva, while the Director of Conference Management and the Chief of Central Support Services of the United Nations Office at Geneva act jointly as senior users (A/72/521, paras. 8–9).

Proposed Senior Procurement Officer (P-5) position

6. The Secretary-General proposes an additional position of Senior Procurement Officer (P-5) in the Office of Central Support Services, to ensure that procurement actions are carried out in accordance with United Nations procurement policies and within the established timelines and that the necessary coordination takes place with Headquarters. The position would be funded within the maximum overall cost approved for the project. It is also stated that the position would reduce risk to the construction schedule during the planning and tender action for the renovation phase of the project. The incumbent would coordinate with the Office of Legal Affairs and the Insurance and Disbursement Service of the Office of Programme Planning, Budget and Accounts on legal and insurance risk matters (A/72/521, para. 10).

7. Upon enquiry, the Advisory Committee was informed that the P-5 position would be required as of 2018 for one year initially, in order to support the project team during the most high-risk and high-value procurement exercise, namely the renovation phase of the historic Palais des Nations. The Committee was further informed that, owing to the size and complexity of the procurement-related tasks in 2018, the additional work envisaged with the renovation tender, and the start of the construction phase of the new permanent building and the related contract management tasks, the proposed functions of the P-5 position could not be absorbed by the two existing P-4 staff in the dedicated procurement team for the project. With respect to the related costs for the P-5 position, the Committee notes in table 2 below that the costs under Project management do not reflect an increase from the previous to the current reports of the Secretary-General. **The Committee notes the significant tasks involved in the procurement exercise for the renovation phase of the project and the existing capacity within the project procurement team. Taking these factors into consideration, the Committee recommends approval of the establishment of the P-5 position of Senior Procurement Officer in the Office of Central Support Services for an initial period of one year.**

III. Progress of the project

8. The report provides an update on project progress, including the commencement of construction works in April 2017 through an early works package for the new permanent building H; the conclusion of the procurement process for the new building H and the contract award for the construction contract on 4 September 2017; the issuance of contracts for the further detailed design work for the renovation phase; and the further development within the renovation design of

measures to eliminate physical, communications and technical barriers to persons with disabilities. The report states that the project is proceeding in line with the overall schedule, with some programme slippage as a result of longer-than-planned completion of the contracting processes, which were mitigated through proactive management and risk mitigation action (A/72/521, paras. 13–14).

9. Figure 2 of the report sets out the updated project schedule of works, which reflects programme delays of three months during the design and procurement activities for the new building H, which were mitigated by the earlier completion of the tender evaluation and award recommendation period and by the timely conclusion of the contract for the works received from tendering contractors. In addition, the renovation works are starting later than originally envisaged, owing to the refined implementation strategy, but mitigated by the completion of the further design work before the tendering of the works. The refined implementation strategy, which would not have an impact on the overall budget or schedule, would bring all renovation works required to full technical design, and two different renovation contracts would be tendered, one for the original 1930s Palais des Nations (buildings A, B, C, D and S) and the other for the 1970s building E (A/72/521, paras. 59–63).

10. The Advisory Committee notes that the Board of Auditors, in its report on the strategic heritage plan of the United Nations Office at Geneva, noted that deliverables targeted for completion in 2015 had not been fully achieved and that such slippages might have an adverse impact in terms of timelines for the project and firming up of the cost estimates. The Board recommended that the Administration monitor the implementation of various activities to minimize time overruns and take proactive remedial measures to meet project timelines without any dilution of the quality and scope of the project deliverables (A/70/569, para. 81 (a)). The Advisory Committee further notes that the Board, in its report on the financial report and audited financial statements for the year ended 31 December 2016, recommended that the Administration take effective action during the procurement process because any further delay would jeopardize meeting the envisaged start date of the construction. At the same time, accuracy and rigorous leadership of actions must be ensured because weaknesses in that regard might cause further delays (A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, para. 411).

11. **The Advisory Committee concurs with the recommendations of the Board of Auditors and reiterates the importance of keeping the project on schedule in order to avoid any potential cost overruns, and emphasizes that the Steering Committee should continue to ensure monitoring and assurance of the project's progress within the established timeline and budget (see A/71/622, para. 20, and para. 20 below).**

Flexible workplace strategies

12. The Secretary-General indicates that work has commenced to develop a strategy called "smart working" for the implementation of flexible working that is fully tailored to the requirements and constraints of the United Nations organizations based in the Palais des Nations, in order to increase the capacity of the Palais to achieve quantifiable and non-quantifiable organizational benefits. A study commissioned in 2016 highlighted that the individual office workspaces were utilized throughout the day at an average rate of roughly 51 per cent. With the implementation of the strategy, a workstation-sharing ratio of up to 1:1.25 (5 staff assigned to every 4 workstations) could be set as an achievable target in the medium to long term, allowing a progressive increase of around 400 in the number of additional staff to be accommodated, bringing the potential capacity increase for the Palais to 3,900 staff by the completion of the project (A/72/521, paras. 19–24).

13. With respect to the related costs, the report states that, for the new office building H, the interior layout is designed for open workspaces with built-in flexible infrastructure, so that the implementation of smart working strategies would be met within the current budget allocated for the new office building (A/72/521, para. 25).

14. As for the related costs for the existing Palais buildings, the report states that the new strategy would entail renovation to change the interiors from the existing individual offices to a hybrid layout that includes a mixture of both closed and open space environments by removing the cross partition walls. The report also states that these office areas do not have cooling or ventilation and that temperatures in the summer months have exceeded comfortable levels owing to a significantly warming climate. In order to ensure that the renovated premises will be fully functional and fit for purpose, the report states that it is now deemed essential to include cooling and ventilation systems as additional requirements to the project (A/72/521, paras. 26–27). The Committee was informed upon enquiry that it was too early to determine accurately how many staff would be accommodated in each of the specific buildings. The Committee was further informed that the renovation would include making small openings to structural load-bearing walls located at the central corridors to provide natural light and air flow into the centre of the affected space. According to the Secretariat, this would not alter the seismic resistance of the building.

15. The report states that the installation of cooling or ventilation of office spaces in the Palais buildings would exceed the scope of the strategic heritage plan and entail a significant up-front capital investment estimated at SwF 40 million to 50 million. The financing options for these additional costs are currently being studied, and the Secretary-General is exploring all feasible income streams to minimize the need for additional Member State assessments. The Secretary-General proposes to report on the results of a feasibility study and implications of the detailed design work, including a funding proposal, to the General Assembly at the earliest opportunity (A/72/521, paras. 30–33).

16. Upon enquiry as to the difference between smart working and flexible workplace strategies, the Advisory Committee was informed that these were different names for the same concept and that flexible workplace strategies had been called “smart working” in the United Nations Office at Geneva almost exclusively as a branding technique. **The Committee notes that there is no difference between smart working and flexible workplace strategies. The Committee is also not convinced of the necessity of a different name for flexible workplace strategies in the United Nations Office at Geneva, as this constitutes an organizational initiative approved by the General Assembly. With respect to the implementation of flexible workplace strategies, the Committee expects that implementation in the new office building H will proceed without delay within the current budget allocated for the building.**

17. **In relation to the installation of cooling or ventilation for the implementation of flexible workplace strategies in the existing Palais buildings, the Advisory Committee notes that this would exceed the scope of the strategic heritage plan and further notes the structural renovations that would be required for the historic Palais buildings. The Committee is not convinced of the need to proceed with the proposal and therefore recommends against the proposed installation of cooling or ventilation and the related costs. The Committee considers that the Secretary-General should continue to monitor the situation.**

Measures to eliminate physical, communications and technical barriers to persons with disabilities

18. The report indicates that a full and comprehensive accessibility master plan was provided by a specialist consultancy firm and that accessibility audits are being implemented throughout the various design stages for both the new and the existing buildings. The proposed design solutions have at all major design stages been shared with the disability working group, and its comments taken into account and integrated into the subsequent design stages. Life-size mock-ups will be built to allow for testing by the disability working group and persons with disabilities before final acceptance and construction in all the buildings concerned (A/72/521, paras. 39–40). **The Advisory Committee commends the United Nations Office at Geneva for its continuing efforts towards eliminating barriers to persons with disabilities and looks forward to receiving updates in this regard in future progress reports of the Secretary-General (see A/71/622, para. 16).**

IV. Project costs

19. Table 1 of the report shows the latest revised cost plan, which includes a decrease of SwF 0.6 million in the cost estimate for the construction of the new permanent building H; an increase of SwF 38.7 million in the total estimated costs for the renovation works of the existing Palais buildings; a decrease of approximately SwF 7.0 million in the estimated associated costs; an increase of approximately SwF 1.3 million in the estimated consultancy services costs; and a downward revision of SwF 23.4 million for contingencies. Table 2 indicates that actual cumulative project expenditure for the period from 2014 to 31 August 2017 amounted to SwF 82,136,745 and that the projected expenditures for the remainder of 2017 are estimated at SwF 14,571,654 (A/72/521, paras. 66–72).

20. The Advisory Committee was also provided upon enquiry with table 1 below, showing the planned and actual expenditures to date for 2017.

Table 1
Projected 2017 expenditures as set out in documents A/71/403 and A/71/403/Corr.1 and A/72/521, and 2017 year-to-date expenditures
(Thousands of Swiss francs)

Description	*Planned expenditures 2017 (as set out in A/71/403 and A/71/403/Corr.1)*	*Revised planned expenditures 2017 (as set out in A/72/521)*	*2017 expenditure as at 31 August 2017*
Construction and refurbishment	36 104.7	11 815.6	3 054.26
Design, consultancy and contracted external expertise	7 573.5	9 092.8	6 140.36
Associated costs	1 552.2	782.4	–
Project management team and operational expert team	4 575.4	4 548.2	2 518.41
Travel	80.5	82.9	37.58
Total	**49 886.3**	**26 322.0**	**11 750.6**

The Committee notes the lower rate of actual expenditures in 2017 compared with planned and revised planned expenditures, which could reflect project slippages, and trusts that this will be continually monitored to keep the project on schedule (see para. 11 above).

Project contingency

21. The report indicates that the contingency management for the project continues to be based on the risk contingency forecasts provided by the independent risk management firm. These forecasts use the estimated uncertainty calculations and the costs and schedule impact of the risks to calculate the probabilistic recommended level of contingency provision required at the 80 per cent certainty level to complete the full scope of the project and to achieve all the identified benefits and objectives. The recommended contingency allocation at a P80 confidence level is the benchmarked result of the annual risk estimate modelling performed by the firm, after simulating probabilistic computer modelled risk and uncertainty combinations for the remaining overall project duration, based on the latest project information. The current risk exposure at the P80 probability level amounts to SwF 89.3 million. The available contingency included in the cost plan assigned against this probabilistic risk exposure amounts to SwF 70.8 million for the period 2017–2023, excluding escalation (A/72/521, paras. 54 and 81–83).

22. Paragraph 84 of the report indicates that, in terms of used contingency, in 2016 unforeseen expenditures had to be covered from the contingency allotment received for additional design services relating to the detailed design of the renovation works (SwF 230,388); temporary additional programme management consultancy work (SwF 44,282); and smart working consultancy services (SwF 464,276 and SwF 410,145 in the first part of 2017).

23. Upon enquiry, the Advisory Committee was provided with table 2 below, showing a comparison of project costs set out in the reports of the Secretary-General, from document A/68/372 to the current report.

Table 2

Comparison of project costs set out in the reports of the Secretary-General, from document A/68/372 to document A/72/521

(Thousands of Swiss francs)

	A/68/372[a]	*A/70/394 and A/70/394/Corr.1*	*A/71/403 and A/71/403/Corr.1*	*A/72/521*	*Variation to A/71/403 and A/71/403/Corr.1*
Base costs					
Construction/refurbishment	447 000	482 398	492 441	530 544	38 102
Associated costs	49 000	52 998	52 559	45 572	(6 987)
Consultancy services	106 000	118 225	118 225	121 106	2 882
Project management	47 000	38 882	38 882	38 882	–
Subtotal	**649 000**	**692 503**	**702 106**	**736 103**	**33 997**
Contingencies					
Construction/refurbishment	78 770	85 167	74 403	57 848	(16 555)
Associated costs	9 800	1 237	5 643	1 594	(4 049)
Consultancy services	32 200	5 513	14 161	11 403	(2 758)
Subtotal	**120 770**	**91 917**	**94 207**	**70 845**	**(23 362)**
Escalation	67 230	52 080	40 187	29 552	(10 635)
Total	**837 000**	**836 500**	**836 500**	**836 500**	**–**

[a] The amount includes insurance and quality control for contingencies for consultancy services. The Committee was informed upon enquiry that the contingency amount excluding insurance and quality control would be $108,470,000.

24. **The Advisory Committee notes with concern that the base project costs have increased by 13.4 per cent, from SwF 649,000,000 to SwF 736,103,000, and that the decrease in contingencies from SwF 108,470,000 to SwF 70,845,000 has not resulted in a decrease in the overall project costs, which have remained at the same level. The Committee recalls that the Board of Auditors has previously observed that it is crucial that contingency funding not be used as a device to absorb general increases in project costs (A/67/5 (Vol. V), para. 59). The Committee reiterates that contingency provisions serve to provide necessary safeguards to meet unforeseen cost overruns during project implementation. As a matter of principle, cost overruns should be met from compensatory reductions identified elsewhere through efficiency measures, while maintaining the quality and scope of the project, to obviate the need for drawdown from contingency provisions (see A/67/484, para. 13, and A/67/548, para. 26).**

25. **The Advisory Committee is also of the view that a consistent approach to estimating the project contingency amounts, based on the contingency allocation at a P80 probability level, is required to ensure full accountability and transparency (see A/71/622, para. 30). Furthermore, the Committee notes with concern that if the P80 probability level is applied, the base cost increase will currently result in cost overruns of the overall project costs as approved by the General Assembly.**

V. Project financing

Host country loan agreement

26. The General Assembly, in its resolution 70/248 A, approved the financing of the project in part through an interest-free loan from the host country and authorized the Secretary-General to formally apply for the loan in the amount of SwF 400 million. The report states that the Swiss Parliament approved the Secretary-General's formal loan application and that the corresponding loan contract was signed in April 2017. The total loan amounts assigned to the new building and the renovation remain unchanged, at SwF 125.1 million and SwF 274.9 million, respectively. The report further states that the agreed loan split remains applicable, although the eventual amount applied would be determined only when the actual incurred costs for the new building are known, and that any balance from the new building portion loan would be applied to the renovation of the existing buildings. It is also stated that the 50-year loan repayment for the loan portion applied to the new permanent building H will begin at the end of 2020, one year later than previously estimated, while the repayment of the renovation portion of the loan will start in 2023 (A/72/521, paras. 78–80).

Scheme of appropriation and assessment

27. The General Assembly, in its resolution 71/272 A, decided to revert to the establishment of an assessment scheme and the currency of appropriation and assessment for the strategic heritage plan at the main part of its seventy-second session. The report states that the three possible schemes of appropriation and assessment for the project (one-time up-front appropriation and assessment, multi-year appropriations and assessments, or one-time up-front appropriation with a mix of one-time and multi-year assessments), as well as two options for the currency of appropriation and assessment (the United States dollar or the Swiss franc), remain valid (A/72/521, para. 85). **The Advisory Committee reiterates its view that the options mentioned above on the scheme and currency of appropriation and assessment constitute policy matters to be decided upon by the General Assembly (see A/71/622, paras. 35–36).**

Multi-year special account

28. The Secretary-General proposes that the accounting of the project be undertaken through a multi-year special account, funded through appropriation and assessments separate from the programme budget. The report states that, should the General Assembly decide on appropriations and assessments in Swiss francs, the establishment of a multi-year special account separate from the programme budget would be required. The report indicates that yearly repayments of the loans would be funded under the special account for the duration of the project until 2023 but would thereafter be included in the programme budget for the relevant periods. The multi-year special account would be closed after the financial and administrative close-out of the project, assuming that assessments would have been paid in full by all Member States (A/72/521, paras. 104–106). The Advisory Committee previously recommended the establishment of a multi-year special account for the strategic heritage plan (see A/71/622, para. 39), and the General Assembly, in its resolution 71/272 A, decided to revert to the issue at the main part of its seventy-second session. **The Committee notes that this remains a matter to be decided by the General Assembly.**

Cash-flow risk

29. As the Secretary-General has previously indicated, while the two appropriation and assessment options of one-time up-front appropriation and assessment and one-time up-front appropriation with a mix of one-time and multi-year assessments would increase the cash position at the start of the project, the other option (multi-year appropriations and assessments) would present some cash-flow risks. To mitigate these risks, and should the General Assembly decide on the establishment of a multi-year special account for the project, it is proposed that the strategic heritage plan be granted access to the working capital fund of the programme budget established under financial regulation 4.2, as well as to the special account (A/72/521, paras. 107–108). **The Advisory Committee reiterates its view that, at this stage, pending a decision of the General Assembly on the scheme of appropriation and assessment, its consideration of a mitigating measure for a possible cash-flow risk is not needed (see A/71/622, para. 40).**

Alternative funding opportunities

30. The report provides an update on the progress made on the valorization activities and the Villa Feuillantines transaction, as follows: completion of a series of valorization studies for the United Nations land in Geneva as a whole; due diligence land valuations to ensure that the final negotiated offer was in excess of its current market value; and ongoing legal work by a local law firm in developing the detailed terms of the lease agreement in cooperation with the Office of Legal Affairs. The report states that the sum of SwF 118,745 has currently been disbursed in relation to these works and accommodated within section 29F, Administration, Geneva, of the programme budget (A/72/521, paras. 112–114). Table 5 of the report sets out the valorization potential of the different plots owned and/or operated by the United Nations Office at Geneva, including a long-term 90-year lease with development rights agreed for a lump-sum amount of SwF 25.6 million in respect of the Villa and Parc Feuillantines. **The Advisory Committee is of the view that the General Assembly may wish to decide that any valorization income should be separated from the strategic heritage plan project, as the valorization of land is a long-term and continuing matter and not related to the nature of a construction project as such.**

31. Upon enquiry as to the current Tennis Club lease, the Advisory Committee was informed that the amount of the Tennis Club's current lease, which expired on 31 December 2015, was SwF 6,350 per annum. The lease extension due to be signed would be for an amount of SwF 15,000 per annum and backdated to the expiry date of the current lease on 31 December 2015. The lease would expire on 31 December 2020, without the possibility of extension. **The Committee considers that more detailed information should be provided to the General Assembly on the proposed lease extension and amounts, relevant market rates and the impact of the extension on the potential valorization of the Tennis Club.**

32. According to the report, procurement is currently in progress to select an expert consultancy firm to undertake further valorization works over an estimated period of two to three years, starting from the completion of the procurement process of the consultancy firm. The estimated costs of the necessary expert consultancy services are proposed to be funded from the overall maximum cost of the project, given the resource constraints under section 29F (A/72/521, paras. 115–116). The Advisory Committee recalls that it had previously recommended the use of expert consultancy services for this purpose, to be funded under section 29 of the programme budget (see A/71/622, para. 45). **Considering its previous recommendation for consultancy services to be used for the valorization works, and that the related requirements would be funded from within the overall maximum cost of the project, the Committee recommends approval of the proposal.**

Rental income

33. Regarding the potential utilization of rental income, the report states that income generated from the rental of premises is currently recognized as miscellaneous income under income section 2 of the programme budget and returned to Member States. At present, approximately $1.2 million is generated each year from the rental of premises to United Nations organizations and related commercial entities. The report indicates that additional rental income could be generated by the planned relocation of 700 staff of the Office of the United Nations High Commissioner for Human Rights to the Palais des Nations, including 47 per cent (or 329 staff) funded from extrabudgetary sources, in respect of whom it would be possible to charge rent from 2024 onward in the projected amount of $2.2 million. Additional rental income, in the estimated amount of $2.7 million, could also be derived from the accommodation of other extrabudgetary-funded entities, such as up to 400 staff of the United Nations Children's Fund, owing to smart working (see A/72/521, para. 124 and tables 8 and 9).

34. The Secretary-General proposes that the current annual rental income of the United Nations Office at Geneva and the projected rental income that will come from the Office of the United Nations High Commissioner for Human Rights relocating to the campus, as well as the potential rental income from smart working, be applied to the repayments of the Swiss loan and offset the related appropriation and assessment from Member States during the overall repayment period of the Swiss loan (A/72/521, para. 126). The Advisory Committee recalls that it has previously expressed the view that the General Assembly may wish to request the Secretary-General to propose ways of factoring future rental income into the overall scheme of financing of the strategic heritage plan project in his next progress report (see A/71/622, para. 49), which was subsequently endorsed by the Assembly in its resolution 71/272 A.

35. The Advisory Committee enquired as to the financial implications of the General Assembly authorizing the use of current and future rental income towards the project costs, including the impact on the income sections of the programme budget for the biennium 2018–2019, if any, but did not receive an adequate

response. **The Committee trusts that the Secretary-General will provide this information to the Assembly. While the Committee continues to consider that the Secretary-General should propose ways to factor future rental income into the overall scheme of financing of the project, the Committee is not in a position to evaluate the budgetary impact of the current proposal in the absence of data regarding the financial implications on the programme budget.**

VI. Conclusions and recommendations

36. The proposed actions to be taken by the General Assembly are set out in paragraph 130 of the report of the Secretary-General. **Subject to its recommendations and observations above, the Advisory Committee recommends that the General Assembly:**

(a) **Take note of the current report and the progress made since the issuance of the third annual progress report of the Secretary-General (A/71/403 and A/71/403/Corr.1);**

(b) **Authorize the charging of the cost of the valorization consultancy services for 2018 to the project, within the overall maximum cost approved for the project;**

(c) **Approve the establishment of one new temporary position of Senior Procurement Officer (P-5) to be based in the Office of Central Support Services, effective 1 January 2018 for an initial period of one year.**

37. **The Advisory Committee recommends the approval of flexible workplace strategies in the new building H. The Committee recommends against the feasibility study and the subsequent detailed design work for the implementation of smart working in the historic buildings of the Palais des Nations, as well as the funding proposal (see paras. 12–17 above).**

38. **The Advisory Committee reiterates its view that the scheme and currency of appropriation and related assessment for the strategic heritage plan constitute policy matters to be decided upon by the General Assembly. Pending a decision of the General Assembly on the scheme of appropriation and assessment for the strategic heritage plan, the Committee does not provide any specific recommendation regarding the request for authorization for the strategic heritage plan to access the working capital fund established under financial regulation 4.2 and the special account (see paras. 27 and 29 above).**

39. **Regarding the proposal to establish a multi-year special account for the project, the General Assembly, in its resolution 71/272 A, decided to revert to the issue at the main part of its seventy-second session, and the Advisory Committee notes that this remains a matter to be decided by the General Assembly (see para. 28 above).**

40. **With respect to the request for authorization to use current and future rental income at the United Nations Office at Geneva to offset the Member State appropriation related to the repayments of the loan, while the Advisory Committee continues to consider that the Secretary-General should propose ways to factor future rental income into the overall scheme of financing of the project, the Committee is not in a position to evaluate the budgetary impact of the current proposal in the absence of data regarding the financial implications on the programme budget (see para. 35 above).**