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Proposed programme budget for 2020

Proposed programme budget for 2020

Part XI

Capital expenditures

Section 33

Construction, alteration, improvement and major maintenance

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* [A/74/50](#).

** In keeping with paragraph 11 of resolution [72/266 A](#), the part consisting of the post and non-post resource requirements is submitted through the Advisory Committee on Administrative and Budgetary Questions for the consideration of the General Assembly.



Overview

- 33.1 The resource requirements for capital expenditure-related activity consisting of alteration and improvement to, and major maintenance of, the principal properties and infrastructure of the United Nations worldwide are set out in the present section. This includes the modernization of existing buildings and installations. Resources are requested centrally under this section to ensure a coherent and systematic approach to facilities management, major maintenance and construction and information and communications technology operations. Section 33 does not cover requirements for post or post-related costs for the administration and management of the activities proposed in the present section; those costs are included under the respective sections of the proposed programme budget for 2020 for United Nations Headquarters, the United Nations Office at Geneva, the United Nations Office at Vienna, the United Nations Office at Nairobi, the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic Commission for Africa (ECA) and the Economic and Social Commission for Western Asia (ESCWA), with the exception of general temporary assistance positions that have been approved by the General Assembly in respect of specific time-bound capital projects.
- 33.2 The criteria used to decide whether a project is categorized under alteration and improvement work or under major maintenance work reflect the International Public Sector Accounting Standards (IPSAS) policy with respect to property management, and are as follows:
- (a) Projects that are capital-intensive and of a structural nature that would substantially alter or improve facilities or infrastructure, whether physical or information technology, are classified under alteration and improvement;
 - (b) Projects to repair or replace existing installations (e.g., heating, ventilation and air conditioning) and systems (e.g., electrical, information technology and security), or to increase property value and/or extend the useful life of an asset, are classified under major maintenance.
- 33.3 The activities for which resources are provided under section 33 have been reviewed against the above criteria. The review has identified some activities that do not meet the criteria but are operational maintenance activities, and the related resources are proposed to be redeployed to the appropriate sections of the proposed programme budget for 2020, as explained in paragraph 33.14 below.
- 33.4 With regard to the major maintenance component of the proposals set out in section 33, the majority of projects are recurrent, reflecting ongoing activities to ensure that buildings are maintained in good working order and that the physical and information technology infrastructure is robust, mitigating disruption of operational services. Conversely, alteration and improvement work typically consists of one-time, non-recurrent projects that, owing to their scale and complexity, may span more than one biennium (multi-year projects).
- 33.5 At Headquarters, the projects proposed under section 33 fall under the responsibility of the Division of Administration, New York, of the Department of Operational Support, and the Office of Information and Communications Technology, as appropriate. The administrative services at Geneva, Vienna and Nairobi and the regional commissions are responsible, within their respective spheres, for the implementation of the projects under this section and the administration of related resources. The proposed projects relating to the safety and security of the United Nations premises in all main locations will be implemented in close coordination with the Department of Safety and Security.
- 33.6 In accordance with General Assembly resolution [72/266 B](#), the Global Asset Management Policy Service (in the Field Operations Finance Division of the Office of Programme Planning, Finance and Budget in the Department of Management Strategy, Policy and Compliance) is responsible for the provision of guidance, support and technical advice to offices away from Headquarters and the regional commissions with regard to the planning, management and monitoring of their major construction projects.

- 33.7 The Secretary-General, in his most recent report on the strategic capital review ([A/72/393](#)), presented an update on the capital maintenance programme initially presented in his previous report ([A/70/697](#)), including an updated list of near-term proposed capital projects to be undertaken at the United Nations Office at Geneva, the United Nations Office at Nairobi, ECA, ESCAP and ECLAC. In line with the recommendation of the Advisory Committee on Administrative and Budgetary Questions in paragraph XI.17 of its report [A/70/7](#), endorsed by the General Assembly in its resolution [70/247](#), that it was not appropriate to include the preliminary resource estimates for projects identified in the strategic capital review in the proposed programme budget, no resources for such projects, including for the corresponding project management teams under the respective budget sections other than section 33, are included in the proposed programme budget for 2020. Resource requirements for 2020, and corresponding project management teams, for those major construction projects (the strategic heritage plan at the United Nations Office at Geneva, the replacement of office blocks A to J at the United Nations Office at Nairobi, the renovation of Africa Hall at ECA, the seismic mitigation retrofit and life-cycle replacements project at ESCAP and the renovation of the North Building at ECLAC) will be presented in the upcoming annual progress reports of the Secretary-General to be presented at the main part of the seventy-fourth session of the General Assembly.
- 33.8 With regard to the preparation of the proposed programme budget for 2020, the Global Asset Management Policy Service reviewed the proposed activities for which resources would be requested under section 33 for each of the offices away from Headquarters and the regional commissions, providing technical guidance and advice, as necessary, to ensure that project planning conforms to established policies and practices, in respect of the properties of the Organization and their effective overall management.
- 33.9 The Office of Information and Communications Technology provides central leadership in the establishment and implementation of Organization-wide information and communications technology strategy and standards and ensures the efficient utilization of resources in the modernization of information systems and the improvement of information and communications services. The Office sets the overall strategic direction and provides enterprise systems and infrastructure with a view to achieving coherence and coordination. In that context, the Office of Information and Communications Technology is responsible for centrally administering projects to upgrade the global network infrastructure in offices away from Headquarters and the regional commissions through the implementation of the enterprise network project, which is aimed at standardizing the network infrastructure equipment and bringing all networks worldwide to the same standard of functionality, quality and reliability.

Proposed resource requirements

Overview of resources

- 33.10 The overall resources proposed for 2020 for this section amount to \$16,187,400 before recosting, reflecting a net decrease of \$56,817,200 (or 77.8 per cent) compared with the appropriation for 2019. Resource changes result from two factors, namely: (a) technical adjustments; and (b) other changes, explained below.
- 33.11 The distribution of resources is reflected in table 33.1.

Table 33.1

Evolution of financial resources by component and main category of expenditure

(Thousands of United States dollars)

	2018 expenditure	2019 appropriation	Technical adjustments	New/ expanded mandates	Changes		2020 estimate (before recosting)	Recosting	2020 estimate (after recosting)
					Other	Total Percentage			
A. Alteration, improvement and major maintenance programmes									
1. Headquarters									
Alteration and improvement	1 611.4	1 911.2	–	–	(257.1)	(257.1) (13.5)	1 654.1	26.5	1 680.6
Major maintenance	4 349.3	5 107.9	–	–	(2 267.9)	(2 267.9) (44.4)	2 840.0	45.4	2 885.4
Subtotal	5 960.7	7 019.1	–	–	(2 525.0)	(2 525.0) (36.0)	4 494.1	71.9	4 566.0
2. Geneva									
Alteration and improvement	18 345.3	33 240.2	(31 809.8)	–	– (31 809.8)	(95.7)	1 430.4	21.5	1 451.9
Major maintenance	1 841.4	4 346.8	–	–	(3 330.1)	(3 330.1) (76.6)	1 016.7	15.3	1 032.0
Subtotal	20 186.7	37 587.0	(31 809.8)	–	(3 330.1)	(35 139.9) (93.5)	2 447.1	36.8	2 483.9
3. Vienna									
Alteration and improvement	228.5	671.7	–	–	(93.3)	(93.3) (13.9)	578.4	9.8	588.2
Major maintenance	614.7	581.5	–	–	93.3	93.3 16.0	674.8	11.5	686.3
Subtotal	843.2	1 253.2	–	–	–	–	1 253.2	21.3	1 274.5
4. Nairobi									
Alteration and improvement	1 258.5	7 292.4	(5 829.4)	–	(500.0)	(6 329.4) (86.8)	963.0	62.6	1 025.6
Major maintenance	1 291.7	1 171.3	–	–	(1 021.3)	(1 021.3) (87.2)	150.0	9.8	159.8
Subtotal	2 550.2	8 463.7	(5 829.4)	–	(1 521.3)	(7 350.7) (86.8)	1 113.0	72.4	1 185.4
5. ESCAP									
Alteration and improvement	2 705.3	3 938.5	(3 419.0)	–	54.9	(3 364.1) (85.4)	574.4	8.1	582.5
Major maintenance	1 022.5	514.9	–	–	(54.9)	(54.9) (10.7)	460.0	6.4	466.4
Subtotal	3 727.8	4 453.4	(3 419.0)	–	–	(3 419.0) (76.8)	1 034.4	14.5	1 048.9
6. ECLAC									
Alteration and improvement	481.3	1 074.0	(445.0)	–	–	(445.0) (41.4)	629.0	16.4	645.4
Major maintenance	145.5	440.6	–	–	–	–	440.6	11.5	452.1
Subtotal	626.8	1 514.6	(445.0)	–	–	(445.0) (29.4)	1 069.6	27.9	1 097.5
7. ECA									
Alteration and improvement	37.8	9 274.3	(7 937.6)	–	–	(7 937.6) (85.6)	1 336.7	93.6	1 430.3
Major maintenance	250.3	106.3	–	–	–	–	106.3	7.4	113.7
Subtotal	288.1	9 380.6	(7 937.6)	–	–	(7 937.6) (84.6)	1 443.0	101.0	1 544.0

	2018 expenditure	2019 appropriation	Changes					2020 estimate (before recosting)	Recosting	2020 estimate (after recosting)
			Technical adjustments	New/ expanded mandates	Other	Total	Percentage			
8. ESCWA										
Alteration and improvement	257.6	256.4	—	—	—	—	—	256.4	9.3	265.7
B. United Nations enterprise network										
	1 798.3	3 076.6	—	—	—	—	—	3 076.6	49.2	3 125.8
Total	36 239.4	73 004.6	(49 440.8)	—	(7 376.4)	(56 817.2)	(77.8)	16 187.4	404.3	16 591.7

Technical adjustments

- 33.12 Resource changes totalling \$49,440,800 reflect the removal, for the reason explained in paragraph 33.7 above, of non-recurrent requirements approved for 2019 by the General Assembly in its resolution [73/279](#) relating to: (a) the strategic heritage plan at the United Nations Office at Geneva (\$31,809,800); (b) the replacement of office blocks A to J at the United Nations Office at Nairobi (\$5,829,400); (c) the seismic mitigation retrofit and life-cycle replacements project at ESCAP premises in Bangkok (\$3,419,000); (d) the renovation of the North Building at ECLAC in Santiago (\$445,000); and (e) the renovation of Africa Hall at ECA (\$7,937,600).

Other changes

- 33.13 The resources under section 33 undergo reprogramming, including redistribution for each budget period, because they cover a portfolio of activities, only a portion of which give rise to recurrent requirements, with the remainder being new or multi-year projects for specific capital work. Each proposed programme budget for a new budget period reflects the completion of non-recurrent activities and the introduction of newly programmed, non-recurrent activities. The projects proposed to be funded under this section are based on critical needs for the budget period, and resources are redistributed between duty stations.
- 33.14 Resource changes of \$7,376,400 are attributable to the following:
- (a) At Headquarters, a decrease of \$2,525,000 reflects the effect of:
 - (i) A decrease of \$4,600,000 owing to the proposed redeployment, as explained in paragraph 33.3 above, of resources related to operational maintenance activities from section 33 to other budget sections, comprising \$3,831,800, for the operational maintenance of facilities, redeployed to section 29B, Department of Operational Support; and \$768,200, for the operational maintenance of broadcast, conference and safety and security facilities, redeployed to section 29C, Office of Information and Communications Technology;
 - (ii) An increase of \$2,075,000 relating to the redistribution of resources among duty stations based on critical needs, as explained in paragraph 33.13 above;
 - (b) At the United Nations Office at Geneva, a decrease of \$3,330,100 reflects the effect of:
 - (i) A decrease of \$1,755,100 owing to the proposed redeployment of resources for the operational maintenance of safety and security installations to section 29E, Administration, Geneva;
 - (ii) A decrease of \$1,575,000 relating to the redistribution of resources among duty stations based on critical needs;
 - (c) At the United Nations Office at Nairobi, a decrease of \$1,521,300 reflects the effect of:

- (i) A decrease of \$1,021,300 owing to the redeployment of resources for the operational maintenance of facilities and safety and security installations to section 29G, Administration, Nairobi;
- (ii) A decrease of \$500,000 relating to the redistribution of resources among duty stations based on critical needs.

33.15 In addition, at the United Nations Office at Vienna and ESCAP, resource changes under alteration and improvement are fully offset by corresponding changes under major maintenance within the same duty station, resulting in no changes for the overall level of resources for these duty stations. In ECLAC, ECA and ESCWA, resources are proposed at the same level as approved for 2019.

Nature of proposed activities

33.16 Table 33.2 breaks down the resource requirements related to projects proposed under the present section under alteration and improvement and major maintenance into: (a) deferred activities; (b) multi-year phased projects; (c) new activities; or (d) recurrent activities. The breakdown by subcategory allows the aggregate portfolio of activities proposed under section 33 to be viewed in terms of nature and duration.

Table 33.2

Nature of projects proposed for 2020 by location (before recosting)

(Thousands of United States dollars)

Description	Headquarters	Geneva	Vienna	Nairobi	ESCAP	ECLAC	ECA	ESCWA	Enterprise network	Total
Deferred activities from prior periods	—	—	—	—	460.0	—	—	—	—	460.0
Multi-year phased projects	979.1	1 590.3	—	773.0	212.1	209.0	1 080.7	—	—	4 844.2
New activities for 2020	3 455.0	679.1	—	60.0	362.3	645.0	256.0	—	—	5 457.4
Recurrent activities	60.0	177.7	1 253.2	280.0	—	215.6	106.3	256.4	3 076.6	5 425.8
Total	4 494.1	2 447.1	1 253.2	1 113.0	1 034.4	1 069.6	1 443.0	256.4	3 076.6	16 187.4

33.17 As illustrated in table 33.2, new activities (\$5,457,400) account for 33.7 per cent, recurrent activities (\$5,425,800) account for 33.5 per cent, the continuation of multi-year projects (\$4,844,200) accounts for 29.9 per cent and deferred activities from prior periods (\$460,000) account for 2.8 per cent of the total proposed resource requirements for 2020.

A. Alteration, improvement and major maintenance programmes

1. Headquarters

Resource requirements (before recosting): \$4,494,100

33.18 The total provision of \$4,494,100 at Headquarters consists of \$1,654,100 for alteration and improvement and \$2,840,000 for major maintenance.

33.19 With regard to alteration and improvement, a provision of \$1,654,100 would cover the following:

(United States dollars)

(a) Improvement of facilities and general infrastructure	439 100
(b) Improvement of information and communications technology infrastructure	1 215 000
Total	1 654 100

- 33.20 With regard to major maintenance, a provision of \$2,840,000 would cover the following:

(United States dollars)

(c) Major maintenance of facilities and general infrastructure	2 840 000
Total	2 840 000

2. United Nations Office at Geneva

Resource requirements (before recosting): \$2,447,100

- 33.21 The total provision of \$2,447,100 for the United Nations Office at Geneva consists of \$1,430,400 for alteration and improvement and \$1,016,700 for major maintenance projects.

- 33.22 The selection of the proposed requirements for 2020 has been made in a strategic manner and in close consultation with the project team managing the planning works for the strategic heritage plan, thereby ensuring that the works would not need to be redone in the context of the strategic heritage plan and that the selected works address the essential needs of the Palais des Nations while the renovation is under way. The selection of the proposed requirements took into account the considerable maintenance challenges faced and the need to:

- (a) Ensure the health, safety and security of the delegates, staff, contractors and visitors at the Palais;
- (b) Maintain business continuity and the operability of the annex buildings and reduce the risk of failure and of the closure of office and meeting areas during the implementation of the strategic heritage plan, as planned;
- (c) Make the appropriate investment in the regular upkeep of the current infrastructure in areas that would not be addressed by the strategic heritage plan;
- (d) Enhance the efficient and effective use of available space in the annex buildings by maximizing its office accommodation capacity to consolidate more entities in the Palais grounds and reduce the operating cost.

- 33.23 With regard to alteration and improvement, a provision of \$1,430,400 would cover the following:

(United States dollars)

(a) Improvement of facilities and general infrastructure	751 300
(b) Improvement of information and communications technology infrastructure	679 100
Total	1 430 400

- 33.24 With regard to major maintenance, a provision of \$1,016,700 would cover the following:

(United States dollars)

(c) Major maintenance of facilities and general infrastructure	1 016 700
Total	1 016 700

3. United Nations Office at Vienna

Resource requirements (before recosting): \$1,253,200

- 33.25 The total provision of \$1,253,200 consists of \$578,400 for alteration and improvement and \$674,800 for major maintenance.
- 33.26 The resources requested for 2020 would cover the share of the United Nations Office at Vienna of the cost of improving and maintaining the Vienna International Centre, which is managed by the United Nations Industrial Development Organization on a cost-shared basis through an agreement between the organizations based at the Centre and the host Government (with regard to major maintenance projects). The requested amount is calculated on the basis of the current share of the United Nations Office at Vienna, which is 22.758 per cent of the total alteration, improvement and major maintenance requirements. This ratio is calculated on the basis of a composite of the space, staff and workload of the four organizations in determining the respective share of costs.
- 33.27 Under alteration and improvement, a provision of \$578,400 would cover the contribution of the United Nations Office at Vienna to the Common Buildings Management Fund based on the agreement between the organizations based at the Vienna International Centre. The provision under alteration and improvement can be summarized as follows:

(United States dollars)

Cost-shared improvement of facilities and general infrastructure	578 400
Total	578 400

- 33.28 Under major maintenance, a provision of \$674,800 would cover the contribution of the United Nations Office at Vienna to the Common Fund for Financing Major Repairs and Replacements based on the agreement between the host Government and the organizations based at the Vienna International Centre. The provision under major maintenance can be summarized as follows:

(United States dollars)

Cost-shared major maintenance of facilities and general infrastructure	674 800
Total	674 800

4. United Nations Office at Nairobi

Resource requirements (before recosting): \$1,113,000

- 33.29 The total provision of \$1,113,000 consists of \$963,000 for alteration and improvement and \$150,000 for major maintenance.
- 33.30 With regard to alteration and improvement, a provision of \$963,000 would cover the following:

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(United States dollars)

(a) Improvement of facilities and general infrastructure	783 000
(b) Improvement of information and communications technology infrastructure	180 000
Total	963 000

- 33.31 With regard to major maintenance, a provision of \$150,000 would cover the following:

(United States dollars)

(c) Major maintenance of facilities and general infrastructure	90 000
(d) Major maintenance of safety and security installations	60 000
Total	150 000

5. Economic and Social Commission for Asia and the Pacific***Resource requirements (before recosting): \$1,034,400***

- 33.32 The total provision of \$1,034,400 consists of \$574,400 for alteration and improvement and \$460,000 for major maintenance.

- 33.33 With regard to alteration and improvement, a provision of \$574,400 would cover the following:

(United States dollars)

(a) Improvement of facilities and general infrastructure	362 300
(b) Improvement of safety and security installations	212 100
Total	574 400

- 33.34 With regard to major maintenance, a provision of \$460,000 would cover the following:

(United States dollars)

(c) Major maintenance of facilities and general infrastructure	460 000
Total	460 000

6. Economic Commission for Latin America and the Caribbean***Resource requirements (before recosting): \$1,069,600***

- 33.35 The total provision of \$1,069,600 consists of \$629,000 for alteration and improvement and \$440,600 for major maintenance.

- 33.36 With regard to alteration and improvement, the provision of \$629,000 would cover the following:

(United States dollars)

(a) Improvement of facilities and general infrastructure	629 000
Total	629 000

- 33.37 With regard to major maintenance, a provision of \$440,600 would cover the following:

(United States dollars)

(b) Major maintenance of facilities and general infrastructure	245 000
(c) Major maintenance of safety and security installations	195 600
Total	440 600

7. Economic Commission for Africa

Resource requirements (before recosting): \$1,443,000

- 33.38 The total provision of \$1,443,000 consists of \$1,336,700 for alteration and improvement and \$106,300 for major maintenance.

- 33.39 With regard to alteration and improvement, a provision of \$1,336,700 would cover the following:

(United States dollars)

(a) Improvement of facilities and general infrastructure	1 336 700
Total	1 336 700

- 33.40 With regard to major maintenance, a provision of \$106,300 would cover the following:

(United States dollars)

(b) Major maintenance of facilities and general infrastructure	106 300
Total	106 300

8. Economic and Social Commission for Western Asia

Resource requirements (before recosting): \$256,400

- 33.41 The total provision of \$256,400 consists entirely of alteration and improvement and would cover the improvement of safety and security facilities installed during the implementation of the standardized access control project.

(United States dollars)

(a) Improvement of safety and security installations	256 400
Total	256 400

B. United Nations enterprise network

Resource requirements (before recosting): \$3,076,600

- 33.42 The enterprise network project is administered by the Office of Information and Communications Technology. The procurement of equipment, such as standardized switches and routers, is undertaken centrally to the extent possible in order to qualify for bulk discounts, and the equipment is installed at each duty station to bring the local network up to the standard at Headquarters.
- 33.43 Following a review conducted by the Office of the current state of the network infrastructure and technical requirements at Headquarters, in all offices away from Headquarters and in the regional commissions, a provision of \$3,076,600 is proposed for the recurrent activities of the enterprise network in 2020 to cover the following:
- (a) An amount of \$917,200 for network infrastructure upgrade to replace obsolete and end-of-life equipment, comprising \$800,000 for offices away from Headquarters and the regional commissions and \$117,200 for Headquarters;
 - (b) An amount of \$1,525,300 for the existing consolidated maintenance contract at United Nations Headquarters, in offices away from Headquarters and in regional commissions. Previously, the Office expanded the maintenance contract to cover all of the offices away from Headquarters and regional commissions and negotiated a discount rate of 55 per cent. The contract ensures full coverage of network and telephone equipment and guarantees the same level of service in each duty station, which has become increasingly important owing to the growing requirements of central enterprise applications;
 - (c) An amount of \$634,100 for maintenance and renewal of the Check Point firewall software in offices away from Headquarters and the regional commissions (\$156,300) and at Headquarters (\$477,800). With the increased reliance on the global network, the Organization must keep its firewalls updated in order to protect the entire network from attacks and data leakage.