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

Report of the Secretary-General

Summary

The present report is the fifth report of the Secretary-General on the deteriorating conditions and limited capacity of the conference services facilities at the United Nations Office at Nairobi. It is submitted pursuant to section VIII of General Assembly resolution [77/263](#).

The report contains an update on project progress from 1 September 2022 through 31 July 2023, following the issuance of the previous report of the Secretary-General ([A/77/367](#)). Pursuant to the mandates set forth by the General Assembly, significant progress was made during the reporting period in the planning activities in preparation for the commencement of the design phase of the project, predominantly in the areas of governance, recruitment and procurement.

The project Advisory Board and Steering Committee were established, the first meeting of the Advisory Board took place in June 2023 and that of the Steering Committee is scheduled for October 2023. In total, 15 of the 20 temporary project management positions were recruited, resulting in the composition of a talented and widely diverse team with respect to geographic and gender representation. Recruitment of the remaining team is expected to be finalized by the end of the year.

Progress is being made on procurement activities related to design, independent risk management and programme management. The contract for design services was awarded in September 2023. The independent risk management contract is expected to be awarded in October, and programme management contracts in November 2023. The project has benefitted from extensive interest by highly qualified and experienced local and international bidders.



The projected maximum overall cost of the project on the basis of option B remains \$265.6 million, as per the previous report of the Secretary-General. Following authorization by the General Assembly in its resolution [77/263](#) to start the design phase in 2023 based on option B, option A also remains viable, however at an increased maximum overall cost of \$235.3 million, given that design work is being undertaken on the basis of option B. The timeline for the project also remains unchanged, and the project is scheduled for completion in 2030.

The General Assembly is requested to take note of the report of the Secretary-General; approve the scope of the project as per option B, its implementation strategy and estimated overall maximum cost in the amount of \$265.6 million; and appropriate an amount of \$11,928,200 under the proposed programme budget for 2024.

I. Introduction

1. In its resolution [77/263](#), the General Assembly endorsed the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary questions ([A/77/7/Add.15](#)) and, inter alia, decided to commission the design work for the conference services facility on the basis of option B, without prejudice to any future decisions regarding the construction phase of the project. The present report is submitted to provide a progress update on the project regarding the governance, recruitment and procurement activities needed to complete the pre-planning stage and commence the design stage of the project, currently foreseen to begin in September/October 2023.

2. Pursuant to the mandates set forth by the General Assembly, the project team at the United Nations Office at Nairobi commenced the following activities during the present reporting period: (a) establishing the governance structure for the project, comprising an Advisory Board, Steering Committee and Stakeholders Committee; (b) recruiting the 10 additional approved project management positions; and (c) conducting the procurement actions for the professional design services firm, the programme management firm and independent risk management consultancy contracts.

3. The underlying business requirements for the project remain unchanged since the previous report of the Secretary-General:

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 ² , 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.
Option B	To meet the long-term projected capacity requirements, as a scalable option expanded from option A, for events with 9,000 in-person participants, with an estimated project area of around 95,700 m ² , encompassing the scope of option A and additional multi-functional pavilions on the western landscaped area, as well as additional rooftop conference rooms.

4. Following the decision by the General Assembly to commission the design phase of the project on the basis of option B without prejudice to future decisions regarding the construction phase of the project (see resolution [77/263](#), sect. VII, para. 14), the project team has proceeded accordingly. Hence, both options A and B remain viable, albeit with the potential maximum overall cost of option A having increased by \$9.5 million or 2.9 per cent as compared with the previous report, given that the design work for the project are being undertaken on the basis of option B. Should the General Assembly eventually decide to approve the construction phase of the project on the basis of option A, then the costs of both the construction work itself and the related design fees for construction administration services will revert to the option A estimates.

5. In his previous two reports, the Secretary-General recommended that the General Assembly approve option B for implementation, and he again reiterates the same recommendation in the present report, given that the refined option B better meets the long-term requirements of the Organization. Over its lifespan, option B is

also more cost-effective than option A in that it does not require the erection of the same amount of temporary swing space to either complete the project itself or support the calendar meetings of the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat) in the long term. Furthermore, it is recommended that the scope of option B be constructed concurrently with option A, given the economies of scale in performing the work at once and avoiding additional project management costs and contractor mobilization costs, and the avoidance of future disruptive construction activity were the work to be performed at a later date.

II. Project objectives and benefits

A. Objectives

6. The objectives of the conference facilities capital project are in line with those of other recent capital projects undertaken by the Organization, as outlined in the report of the Secretary-General on the strategic capital review ([A/68/733](#)) and remain unchanged since the previous report. The objectives are: (a) to meet industry norms relating to health and safety issues; (b) to restore and maintain the property value of United Nations premises; (c) to meet industry norms relating to disaster preparedness and design; (d) to ensure accessibility for persons with disabilities to the premises; (e) to ensure the removal of hazardous materials; (f) to improve space usage efficiency including by providing flexible spaces; (g) to modernize outdated building systems; (h) to make the facility more sustainable specifically by reducing energy and freshwater consumption, the use of non-renewable material resources and waste generation, improving atmospheric and indoor air quality; and (i) to maintain business continuity. In addition, the project will increase the capacity of the existing conference facility.

7. In line with paragraphs 10 and 19 of section VIII of General Assembly resolution [77/263](#), the project team is mindful of the need to apply relevant international and local building codes and standards, as well as other design measures by which the future performance of the project will eventually be measured, especially in the areas of sustainability/energy efficiency and accessibility for persons with disabilities. To this effect, the team intends to validate the planning assumptions made thus far in the planning stages and to firmly establish baseline data and target improvements for particular areas during the design stages of the project, which are anticipated to take place for approximately eight months commencing from October 2023. Accordingly, detailed information on the available baseline data (e.g., baseline energy consumption, water consumption, number of fully accessible conference rooms, etc.) will be included in future progress reports of the Secretary-General.

B. Reiteration and reinforcement of business requirements

Increase in utilization rates to greater than pre-coronavirus disease (COVID-19) levels

8. In line with paragraph 12 of section VIII of General Assembly resolution [77/263](#), the United Nations Office at Nairobi has intensified its efforts during the present reporting period to attract more intergovernmental meetings to the conference facility. The result is that, for the first time, the overall utilization rate of the facility has exceeded pre-COVID-19 pandemic levels, and it is fully expected that this trend will continue. However, the dire physical condition and limited capacity of the existing facility will eventually result in a plateau of utilization trends until the renovation and expansion project is completed.

9. Table 1 and figure I depict the increase in utilization rates during the present reporting period (1 September 2022–31 July 2023):

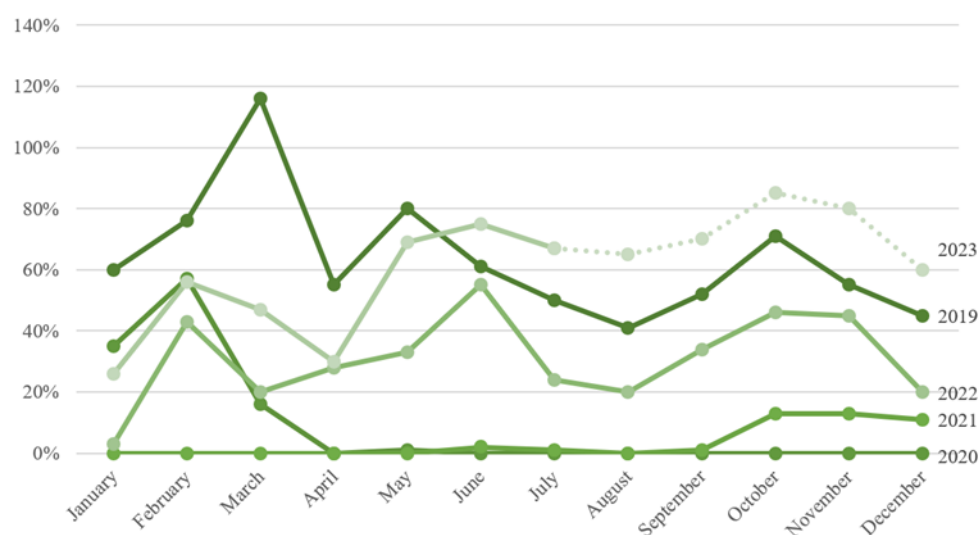
Table 1
Utilization of all United Nations Office at Nairobi conference facilities
(percentage room utilization per month^a)

Month	2019	2020	2021	2022	2023
January	60	35	0	3	26
February	76	57	0	43	56
March	116	16	0	20	47
April	55	0	0	28	30
May	80	1	0	33	69
June	61	0	2	55	75
July	50	0	1	24	67
August	41	0	0	20	65
September	52	0	1	34	70 ^b
October	71	0	13	46	85 ^b
November	55	0	13	45	80 ^b
December	45	0	11	20	60 ^b

^a Excluding maintenance.

^b Projected figures based on actual bookings.

Figure I
Utilization of all United Nations Office at Nairobi conference facilities
(percentage room utilization per month)



10. The Director-General of the United Nations Office at Nairobi and the Resident Coordinator have actively promoted the use of the Office conference facilities for events. The Executive Directors of UNEP and UN-Habitat have also actively promoted the hosting of more conferences and meetings in Nairobi. A summary of

some of the major intergovernmental meetings that have taken place or have been booked are as follows:

(a) The fifth mid-year coordination meeting of the African Union and regional economic communities and regional mechanisms, an important African Union conference hosted by Kenya, was held at the United Nations Office at Nairobi conference facilities in July 2023, attracting 10 heads of State and Government and over 50 foreign ministers;

(b) The Intergovernmental Panel on Climate Change elected its new bureau and the bureau of the task force on national greenhouse gas inventories during its fifty-ninth session, held in Nairobi from 25 to 28 July 2023, hosted by UNEP and the Government of Kenya;

(c) The Government of Kenya has also booked the conference facilities for November 2023 to hold the African Fertilizer and Soil Health Summit 2023. The Summit is expected to attract 10 heads of State and Government, ministers and 1,500 participants;

(d) The Vienna Convention and the Montreal Protocol on Substances that Deplete the Ozone Layer will hold its 35th meeting of the parties in October 2023. This will be the first time since 2003 that a Nairobi-based multilateral environment agreement entity held a meeting of the parties in Nairobi;

(e) The Convention on Biological Diversity will host the 25th meeting of the Subsidiary Body on Scientific, Technical and Technological Advice and the resumed second part of the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity in October 2023, and currently holds a reservation in May 2024 to host its sixteenth Conference of the Parties;

(f) The third session of the intergovernmental negotiating committee to develop an international legally binding instrument on plastic pollution, including in the marine environment, is scheduled to take place from 13 to 19 November 2023 with an estimated in-person attendance of 3,000.

11. All the above-mentioned events are additional to the traditional calendar of conferences. The decision to host them in Nairobi at the conference facilities of the United Nations Office at Nairobi is an encouraging sign. However, the facilities have been stretched to their limits, particularly for those events attracting numerous heads of State and Government. As previously reported, it is not expected that more significant increases in demand for the facilities both in terms of the sizes and frequency of meetings will be realized until the necessary renovation and expansion project is undertaken to address the deteriorating conditions and limited capacity of the existing facility.

12. The headquarters rule (see [A/76/400](#), para. 100) for the sessions and meetings of the United Nations calendar bodies with headquarters in Nairobi, such as the United Nations Environment Assembly and the UN-Habitat Assembly and their subsidiary bodies, continues to be fully observed. However, as per previous reports of the Secretary-General, the United Nations Office at Nairobi maintains that the frequency and duration of the meetings held by these bodies is not the sole measurement by which the benefit of this project should be judged.

13. The overall utilization rate of the facility would be significantly increased if Nairobi were selected to host the meetings of the bodies associated with the United Nations Environment Programme, such as the meetings of the multilateral environment agreements, when there is no offer to host by a Government and/or when there is no express instructions in the various entities' rules of procedure to host them at the site where the multilateral environment agreement is located, and if

intergovernmental organizations (such as the ones listed in para. 10 above) continue to find Nairobi an attractive location.

14. In addition, the overall number of staff from the United Nations and United Nations-affiliated organizations being housed within the United Nations Office at Nairobi complex has increased during the present reporting period. This increase has also contributed to the increase in utilization rate of the Office conference facility during the present reporting, with the frequency and size of global, regional and country meetings having also increased. It should also be further noted that other United Nations entities are considering transferring headquarters functions to Nairobi and have inquired as to the availability of office space within the Office complex.

Growth trends

15. In each of his previous four reports, the Secretary-General has indicated that both the United Nations Environment Assembly and the UN-Habitat Assembly of the United Nations Human Settlements Programme have experienced a steep and steady increase in the number of in-person participants in recent meetings (see [A/77/367](#), paras. 8–20 and fig. I), far exceeding the existing capacity of the facility at approximately 2,000 seats.

16. During the present reporting period, additional evidence of the actual growth as compared with projections was realized during the second UN-Habitat Assembly, held from 5 to 9 June 2023. A total of 3,443 participants joined in-person, as reflected in table 2. In-person participants were from 140 member and observer States, an increase of 13 member States from the first session of the assembly, in 2019, and included 52 ministers and 37 deputy ministers. More than 2,000 participants joined online, largely high-level officials for the delivery of verbal statements and desk officers for the observance of the proceedings, thereby enabling broader participation. The bureau of the assembly affirmed that, while a hybrid format may continue to enable broader participation of those who would not otherwise join at all, in-person participation is vital for the intergovernmental process.

Table 2
Participation statistics of the UN-Habitat Assembly at its second session (2023)

	<i>States/organizations</i>	<i>Participants</i>
Member States	140	1 219
United Nations system entities	–	651
Civil society organizations	–	430
Local and regional governments	–	349
Private sector organizations	–	298
Academic and research organizations	–	166
Media organizations	–	136
Intergovernmental organizations	–	115
Foundations	–	70
Parliamentarians	–	9
Total participation	140	3 443

Source: HSP/HA.2/11 - Proceedings of the UN-Habitat Assembly of the United Nations Human Settlements Programme at its second session.

17. As per previous reports of the Secretary-General, entities hosting large-scale meetings at the United Nations Office at Nairobi conference facility have been required to invest significantly in tent facilities that only temporarily increase capacity and utility, to meet the peak demand of their events. These temporary facilities meet only minimal operational and safety standards; they are neither energy efficient nor fully accessible for persons with disabilities. This was indeed the case again at the second UN-Habitat Assembly, where the several temporary structures were erected, including a delegates registration and screening building, a dining facility, an exhibition hall and a special events hall. The existing space made available for exhibitions was inadequate in terms of size and technology infrastructure. This was also the case with the resumed fifth session of the United Nations Environment Assembly, where the temporary structures erected included a registration tent, a delegates lounge tent, a press tent, an interviews tent, a receptions tent, an exhibitions tent, an exhibition hall and two medical tents (specific for COVID-19 screening and testing), as well as additional generator supplies and uninterrupted power supplies.

18. The United Nations Office at Nairobi also gleaned additional lessons learned based on recent meetings, in particular the fifth mid-year coordination meeting of the African Union and regional economic communities and regional mechanisms. These meetings exposed the fact that the Office facility currently lacks amenities required to host meetings attended by a large number of heads of State and Government and other VIPs, which prevent the facility from being on par with the conference facilities located at other United Nations headquarters locations in terms of quality. Requirements include smaller-sized meeting rooms to hold bilateral or small group meetings; adequately-sized lounges and pre-function spaces near the main meeting rooms; VIP restrooms; security detail holding areas; the availability of efficient and state-of-art services in restaurants, cafeterias and vending machines through extended meeting hours; and the general ability to cordon off large areas of the existing conference facility.

19. Perhaps the biggest challenge to the current facility (even with extensive temporary structures built) will be the planned sixth session of the United Nations Environment Assembly, to be held in February and March 2024. As shown in figure I of the most recent report of the Secretary-General ([A/77/367](#)), UNEP had projected that the total number of in-person participants would exceed 6,000, which would make it the largest calendar meeting ever held on the complex. During the present reporting period, those projections were upheld.

20. However, considering that the United Nations Environment Assembly bureau has decided that the session will be an in-person event (albeit web-streamed), and that the current UNEP plans and budget for the session will allow for an unprecedented number of events associated with the Assembly – including official and unofficial side events, a large external pavilion with several tented stages, a delegates working lounge and reception tent and an external exhibition tent area – the actual number of participants may be even higher. Aside from ramping up the projected meeting expenses owing to additional costs for temporary infrastructure, this plan will also pose a significant challenge to the United Nations compound in Gigiri and other related services. As previously projected, and subject to confirmation following the sixth session, subsequent sessions of the United Nations Environment Assembly are expected to continue to grow even more in terms of the number of in-person participants.

21. Further information will be provided in the next progress report of the Secretary-General on the outcomes of the sixth session of the United Nations Environment Assembly in terms of number of participants and challenges relating to facilities and technology, etc., and on the projection of the size and frequency of future assemblies.

III. Project governance, management and accountability

22. In annex I to his two previous reports ([A/76/400](#) and [A/77/367](#)), the Secretary-General set out the proposed governance structure for the project, which includes all stakeholders who would be directly or indirectly affected by the proposed project. The overall governance structure of the project remains unchanged in the present report.

A. Project governance

23. On four occasions during the present reporting period, the Director-General, in her role as project owner, has delivered a briefing to Nairobi-based members of the diplomatic corps on the project, including its strategic goals and objectives, as well as general status updates. The United Nations Office at Nairobi places particular emphasis on soliciting the input from Nairobi-based end users from member State delegations, given that their feedback based on their own tangible experiences will help shape the project brief and resulting design, both from a strategic and a practical perspective.

Advisory Board

24. The Advisory Board was constituted and held two meetings during the present reporting period, in June and September 2023. As indicated in section IV of the Secretary-General's third annual report on the project ([A/76/400](#)), the Board is envisaged as an independent and impartial entity comprising representatives from a wide geographic representation, with the responsibility of providing the Director-General of the United Nations Office at Nairobi, in her role as project owner, with advice and guidance on the management of the project from the perspective of member States. The Board will be regularly informed regarding project implementation at key milestones in the context of scope, time, budget and quality, and will be consulted at related decision points.

25. The Secretary-General intends to include in his annual reports to the General Assembly information on how the project owner has considered the advice of the Board. During its meetings, the Board deliberated on a wide range of issues and offered advice to the Director-General in the following areas:

- (a) **Terms of reference.** The Board ratified its own terms of reference;
- (b) **Sustainability.** The Board noted that a reforestation campaign at the United Nations Office at Nairobi will result in 3,000 new trees being planted at the Gigiri complex, of which 1,000 have already been planted. The Board also noted opportunities for tree planting. The Board further noted and supported the objectives of the project with respect to sustainability;
- (c) **Accessibility for persons with disabilities.** The Board noted and supported the objectives of the project with respect to affording accessibility for persons with disabilities;
- (d) **Support from the host country.** The Board received an update from the Government of Kenya regarding recent initiatives that will have a direct or indirect positive impact on the project, including road infrastructure, power and water infrastructure, and the dedicated United Nations service centre;
- (e) **Branding/outreach.** The Board recommended that the project be given a name, in line with the capital master plan and strategic heritage plan. After several suggestions made by the Board, the Director-General has proposed that the project be officially named the Gigiri master plan.

Steering Committee

26. The Steering Committee was constituted during the present reporting period via nominations of its members. As indicated in section IV of the Secretary-General's third annual report on the project (A/76/400), the Committee is co-chaired by the Director-General of the United Nations Office at Nairobi and the Under-Secretary-General of the Department of Management Strategy, Policy and Compliance, and comprises the heads of departments or their appointed representatives, as well as representatives from leading departments and offices in Nairobi and New York with a direct operational interest in the project. The Committee provides advice and guidance to the project owner to ensure that the overall performance of the project is delivered according to key milestones and that it meets the requirements of its key internal and external stakeholders and of the Organization as a whole. The Committee will also be responsible for the approval of changes that could potentially modify the objectives of the agreed project implementation plan, in cases where the product being delivered no longer aligns with the original objectives or intent of the project or is to contain different features, services or functions than originally intended.

27. The first Committee meeting is currently scheduled to be held in October 2023, following the award of the contract for design services and commencement of the design period, where the input of the Committee will be essential.

28. The Committee members will also perform critical individual roles in providing strategic and practical input to the project design brief, design development and setting baselines for the various project benefits cases, which will be ultimately measured by the benefit owners (and not the project team itself).

B. Dedicated project management team and liaison support staff

29. In its resolution 77/263, the General Assembly approved the establishment of 20 temporary positions in the project management team, which comprises the front office, design and construction section, programme management section and operational support. The status of recruitment of the positions is summarized in table 3 below.

30. The project team structure is as follows: (a) the front office comprises (i) a project manager (D-1); and (ii) an administrative assistant (Local level); (b) the design and construction section comprises (i) a chief (design and construction section) (P-5); (ii) a project architect (core and shell) (P-4); (iii) a project engineer (mechanical) (P-4); (iv) a project architect (interiors and accessibility) (P-3); (v) a project engineer (energy and sustainability) (P-3); (vi) a project architect (landscape and sustainability) (National Professional Officer); (vii) a project engineer (audiovisual systems) (National Professional Officer); and (viii) an administrative assistant (Local level); (c) the programme management section comprises (i) a chief, Programme Management Section (P-5); (ii) a contract manager (P-4); (iii) an administrative officer (National Officer); (iv) an associate finance and budget officer (P-2); and (v) an administrative assistant (Local Level); and (d) the operational support team comprises (i) a conference services officer (P-4); (ii) a procurement officer (P-4); (iii) an information technology officer (National Professional Officer); (iv) a facilities management officer (P-3); and (v) a physical security officer (P-3).

31. Thus far, significant progress has been made on the recruitment of the 20 approved temporary positions. In total, 11 have been encumbered, 4 have been selected and are awaiting onboarding and the remaining 5 are in advanced stages of the recruitment process and are expected to be encumbered by the end of 2023. Vacant positions have been advertised and application deadlines have closed; the positions are in the selection stage.

32. Further details are provided in table 3 below.

Table 3
Incumbency table

<i>Position</i>	<i>2022</i>	<i>2023</i>	<i>2024 planned</i>
Front office			
Project Manager (D-1)	Encumbered since June 2022	Encumbered	Encumbered
Administrative Assistant (Local level)	Encumbered since September 2022	Encumbered	Encumbered
Design and construction			
Chief, Design and Construction Section (P-5)	Vacant	Encumbered since May 2023	Encumbered
Project Architect, core and shell level (P-4)	–	Selected, onboarding expected by November 2023	Encumbered
Project Architect, interiors and accessibility (P-3)	–	Under recruitment	Encumbered
Project Architect, landscape and sustainability (National Professional Officer)	–	Under recruitment	Encumbered
Project Engineer, mechanical (P-4)	Vacant	Selected, onboarding expected by October 2023	Encumbered
Project Engineer, energy and sustainability (P-3)	–	Under recruitment	Encumbered
Project Engineer, audiovisual systems (National Professional Officer)	–	Selected, onboarding expected by October 2023	Encumbered
Administrative Assistant (Local level)	Vacant	Selected, onboarding expected by October 2023	Encumbered
Programme management			
Chief, Programme Management Section (P-5)	Encumbered since September 2022	Encumbered	Encumbered
Contract Manager (P-4)	–	Encumbered since August 2023	Encumbered
Administrative Officer (National Professional Officer)	Vacant	Encumbered since March 2023	Encumbered
Associate Finance and Budget Officer (P-2)	–	Encumbered since July 2023	Encumbered
Administrative Assistant (Local level)	Vacant	Encumbered since January 2023	Encumbered

<i>Position</i>	<i>2022</i>	<i>2023</i>	<i>2024 planned</i>
Operational support			
Procurement Officer (P-4)	Encumbered since July 2022	Encumbered	Encumbered
Conference Services Officer (P-4)	Vacant	Under recruitment	Encumbered
Facilities Management Officer (P-3)	–	Under recruitment	Encumbered
Information Technology Officer (National Professional Officer)	Initial recruitment action failed	Encumbered since July 2023	Encumbered
Physical Security Officer (P-3)	–	Under recruitment	Encumbered

33. Priority has been placed by the project team on ensuring that the relevant staff are in place to commence the design phase of the project, which is scheduled to begin in October 2023 with the design brief and conceptual design, during which input from the United Nations Office at Nairobi dedicated project team members and stakeholders is of paramount importance.

34. Gender balance of the team among recruited staff has been achieved, 47 per cent of staff being women, and 53 per cent men, the slight disparity being only owing to the fact that there is currently an odd number of staff. With respect to geographical diversity, the team comprises a highly diverse set of staff from eight countries, representing four regional groups (African Group, Asia-Pacific Group, Latin American and the Caribbean, and Western European and Others Group).

35. Table 5 of the previous report contained a matrix showing the duration of each proposed position, including additional positions to be proposed in future phases of the project. The incumbency plan remains unchanged from the previous report and continues to form the basis for the cost projections for the dedicated project management team, given that the General Assembly authorized the commencement of the design phase under option B without prejudice to future decisions regarding the construction phase of the project.

36. In line with paragraph 18 of section VIII of General Assembly resolution [77/263](#), the conference facilities capital project team has actively engaged with the office blocks A–J project team to ensure full coordination and synergies among the two teams. Synergies with respect to procurement activities are described in section V below. In addition, as the office blocks A–J construction phase has begun, members of the conference facilities capital project team are closely monitoring the construction progress, to glean lessons learned and best practices, in particular with respect to local knowledge and construction methods.

IV. Risk management

37. As described in the previous report of the Secretary-General, the United Nations Office at Nairobi project team, in conjunction with the Global Asset Management Policy Service, is in the process of contracting an independent risk management firm to support the project team in identifying and assessing risks before they occur, so that mitigation measures are planned and implemented throughout the project life that protect the achievement of the project objectives. To support independent and informed decision-making by the project owner, project executive and other

organizational leaders, the firm will also provide independent risk reports that highlight current exposure and the measures proposed to keep the risks under control.

38. Although the contract has not yet been awarded, detailed information on risk management, including the development of the risk management framework and strategy for the project, the identification of top project risks, as well as both qualitative and quantitative risk analyses, will be included in future reports of the Secretary-General.

V. Progress made on the project during the reporting period

A. Cooperation with Member States and the host Government

39. In February 2023, the United Nations Office at Nairobi welcomed a visiting delegation of Fifth Committee representatives from New York as part of their field trip to various African duty stations, including peacekeeping missions. Members of the Committee had the opportunity to witness and experience first-hand the dire existing conditions and limited capacity of the facility. Members were also able to experience in person the temperate climate in Nairobi, which allows for a major conference facility with a relatively small building footprint (as compared to the other three United Nations headquarters duty stations) and that can employ partially covered or completely open ancillary spaces in an efficient manner.

40. During the reporting period, intensive coordination continued between the United Nations Office at Nairobi Director-General and Director of Administration, as project owner and project executive, respectively, and the host Government with respect to improvements in infrastructure and host country services that will benefit the project both directly and indirectly.

41. Significant progress in terms of completed construction has been made by the Kenya Urban Roads Authority regarding widening the public roads neighbouring the United Nations Office at Nairobi Gigiri compound. The roads project is part of the 2006 Nairobi metropolitan transport master plan and aims to improve general traffic flow in the immediate vicinity of the Office, and ultimately the entire western part of Nairobi. The new roads will encompass converting United Nations Avenue into a two-way dual carriageway with a new slip-road linking to a nearby bypass, bicycle lanes and pedestrian paths, lighting and landscaping. Given that the work is already well under way in 2023 and expected to take approximately two years to complete, the initiative will be completed well in advance of the planned completion of the conference facility.

42. The United Nations Office at Nairobi has met several times during the present reporting period with the Kenya Urban Roads Authority, to receive detailed status updates from host country officials, and for the Office to give a briefing to the Authority on its own design feasibility studies related to the renovation and expansion of the conference facility. Particular emphasis has been placed on the areas where the two project scopes directly coincide, along United Nations Avenue, to ensure that the Office's plans to establish adequate vehicular and pedestrian access to a new main entrance remain viable.

43. During the forthcoming project design period in 2024, the United Nations Office at Nairobi will aim to provide the relevant host country authorities with detailed project requirements related to electricity/power supply, including renewable energy and back-up supply, potable water supply, wastewater and storm water run-off. It is expected that extensive coordination and support from the host country will continue to be required throughout the design process and eventually during construction.

44. The United Nations Office at Nairobi will meet with the Kenya Revenue Authority to begin pre-planning activities for the envisaged construction period starting in 2025, to ensure that United Nations contractors and suppliers continue to be able to import construction materials in a timely and efficient fashion, and that eligible goods and materials will not be subject to value added tax (VAT) or importation duties.

B. Status of voluntary contributions

Opportunities for cost recovery, donations and in-kind contributions

45. As previously reported, and also in line with paragraph 9 of section VIII of General Assembly resolution [77/263](#), the project team intends to solicit donations and in-kind contributions towards the project, which could potentially offset member States' assessed contributions. A compendium of potential donor opportunities will be developed and widely circulated among all Member States and other potential donors once the design is advanced enough such that the outline parameters of the potential donations has been established. This is estimated at the end of the stage 2 (conceptual design phase) in the first half of 2024, and detailed information would therefore be presented to the General Assembly in the context of the sixth annual progress report of the Secretary-General at the main part of the seventy-ninth session of the Assembly.

46. On the basis of the feasibility studies already completed, as well as recent past experiences from the capital master plan in New York and the strategic heritage plan in Geneva, it is expected that donation opportunities would include for the visitors' entry pavilion and visitor centre, the delegates dining building, the media centre building, multifunctional pavilions and the conference room or lounge interior finishes and furnishings.

C. Procurement activities

Status of contracted professional services

47. During the present reporting period, the project team made significant progress with respect to contracting the three major consultancy services contracts required to perform design, independent risk management and programme management services for the project. A summary status of each contracting action is shown below.

Provision of design services

48. A request for expression of interest for the provision of design services was issued from 2 December 2022 to 9 January 2023. A total of 117 firms responded to the request, after which a request for proposals was launched on 13 February 2023. A total of 74 vendors were invited to that request, comprising 26 different countries. The request for proposals closed on 28 April 2023, and the conference facilities capital project received 27 bids. Following the technical and commercial evaluations of the bids, negotiations commenced with the recommended bidder that received the highest rank according to the assessed best value-for-money score. The design services contract was awarded and signed in September 2023.

49. The contract was awarded approximately 10 weeks later than scheduled, owing to a request from bidders to extend the bid period, which was attributed to the complexity of the design scope of the project and the potentially high-risk nature of the long project duration. However, despite this slight slippage, the overall schedule of the project is not expected to be negatively affected.

Provision of risk management and risk control services

50. A request for expression of interest for the provision of risk management and risk control services was issued from 10 March 2023 to 10 April 2023. A total of 26 firms responded to the request. The request for proposals was launched on 17 May 2023 and closed on 19 June 2023. Negotiations commenced following the technical and commercial evaluations of the bids, with the successful bidder having been deemed technically compliant, and it is expected that the contract will be awarded in October 2023.

Provision of programme management services

51. A request for expression of interest for the provision of programme management services was issued from 8 May 2023 to 8 June 2023. A total of 60 firms responded to the request. The request for proposals was launched on 23 June 2023 and closed on 28 August 2023. A total of 54 vendors were invited to that request, and 13 bids were received. As of the writing of the present report, bids were under technical and commercial evaluation, and it is expected that the contract will be awarded in November 2023.

Enabling support to the United Nations Office at Nairobi and synergies with the replacement of blocks A–J project team

52. Throughout the procurement processes related to both the conference facilities capital project and the replacement of office blocks A–J, the two project teams, including their respective dedicated procurement officers, have collaborated and provided technical support to their peers and benefitted from an elevated level of general interest from the market, resulting in both projects being implemented concurrently, albeit in different phases. The collaboration began in November 2022, when the two teams held a joint business seminar to conduct general outreach to the design and construction market, which was attended by approximately 400 companies (an unprecedented level of interest at the United Nations Office at Nairobi).

53. During the technical evaluation for the provision of construction services for the new construction portion of the replacement of office blocks A–J, the project manager of the conference facilities capital project served as a member of the technical evaluation committee. During the technical evaluation for the provision of design services for the conference facilities capital project, the Chief of the Facilities Management and Transportation Section, who oversees the replacement of office blocks A–J project, served as a member of the technical evaluation committee. This arrangement provided mutual benefit for both projects.

54. In addition, the conference facilities capital project became the first occasion during which an online/electronic tendering system was employed at the United Nations Office at Nairobi, which has subsequently been rolled out across other Office procurement actions. This system, provided and supported by the United Nations Office at Geneva, marks an important step forward in employing modern technology and avoiding potential human error when conducting tendering actions, and has resulted in overall streamlined procurement processes. The procurement officer of the conference facilities capital project provides guidance and training to Office procurement staff, as well as to the tender opening committee members during the roll-out, and continues to do so on an as-needed basis.

D. Local knowledge, locally sourced materials and lessons learned

Local knowledge, locally sourced materials

55. Given that the contract for design services was only awarded in September 2023, it is premature to provide concrete information on how the project team intends to apply local knowledge and use locally sourced materials in the design and construction of the project. However, in broad terms, it is worth noting that the capabilities of the design team to produce a design that is fully integrated into the existing site weighed heavily in the solicitation process. During pre-award discussions, the design services firm committed to considering how the design should reflect its unique context, in terms of existing site of the United Nations Office at Nairobi, the climatic conditions of this area of Nairobi as an upland dry forest, the available construction techniques prevalent in the region and, finally, long-term operations and maintenance requirements. Use of local materials and construction methods will be featured prominently in the design.

56. In addition, on the basis of lessons learned from other projects recently undertaken by the Organization, the dedicated project management team comprises a team of international, national officer and local-level staff, including staff from Kenya with relevant prior experience in the region. In addition, the team includes five operational experts comprising staff funded by the project who report to United Nations Office at Nairobi line managers, with the dual benefit of providing institutional and local knowledge to the project team as the project brief and design are developed, as well as being able to take lessons learned and knowledge during project implementation back to the business once the project is complete.

Lessons learned

57. In order to meet the project design objectives, and in accordance with sections VIII and XII of General Assembly resolution [77/263](#) on the conference facilities capital project and the replacement of office blocks A–J, respectively, the project team undertook a mission to Geneva and Brussels in March 2023 to document best practices and lessons learned from other capital construction projects in the areas of governance, design, accessibility for persons with disabilities, sustainability, conferencing technology, procurement and contract management.

58. The mission took place over 6.5 working days, from 8 to 16 March 2023, and included site visits to the following Organizations:

(a) In Brussels, the European Council “Europa Building”, European Parliament, Belgian Development Agency;

(b) In Geneva, the United Nations Office at Geneva, World Health Organization, World Intellectual Property Organization, World Trade Organization and International Telecommunication Union.

59. A summary of the most pertinent lessons learned, which the project team has already begun or intends to apply to the project, is shown below.

Governance

60. The project team and the operations teams should ensure seamless coordination throughout the project, which is especially important at the inception of the project and at hand-over. Facilities management, security, conference services, information technology and procurement, inter alia, need to be fully involved throughout the project.

61. Host-country authorities play a special role in project delivery and should be fully engaged during all phases of project progress and informed with regard to their obligations throughout.

Design

62. Buildings should be designed to be flexible and adaptable to new technologies and/or the obsolescence of current technologies, and to changing user requirements and functions, for a much longer planning horizon than the actual planned economic useful life. For example, whereas the useful life of United Nations buildings is generally 50 years, the main superstructures could be made to be adaptable for a longer planning horizon.

63. Sustainable design and the reduction of energy consumption are key drivers for contemporary projects; by far the most effective way to reduce energy consumption is to have an efficient building footprint. To the extent possible, passive design elements such as renewable energy and non-mechanical air ventilation should be employed.

64. Accessibility for persons with disabilities is also a key driver for projects, inclusive of requirements for mobility, sight, hearing and cognitive impairment. Conference facilities, conference/simultaneous interpretation equipment and audio-visual technology should be seamlessly integrated into the design following universal design principles, i.e. technology should be consistently applied for use by all users, regardless of abilities.

Technology

65. Audiovisual and information and communications technology in the conference rooms should be integrated into a streamlined overall architectural design, while also affording opportunities for frequent upgrades, ease of use and ease of maintenance. Lighting, cameras, speakers and other equipment should be standardized as much as possible and made easily replaceable without requiring modifications to architectural elements (floors, walls, ceilings, etc).

66. Conference/simultaneous interpretation equipment should be independent from furniture solutions in the majority of conference and meeting rooms, and future changes in technology should not require replacement or major alterations of furniture. Furniture and technology solutions should also enable multiple, flexible room layouts to meet a wide variety of client requirements, e.g., auditorium, round table, Davos-style, classroom, etc.

67. High-quality work environments for interpreters servicing conferences should provide the ability to offer language services in all six official languages, not only to all rooms within the conference facility itself but also in boardrooms elsewhere within the United Nations Office at Nairobi complex. The work environments should also allow for greater access for persons with disabilities.

Procurement and contract management

68. Preferred methods of construction procurement, contracting and construction delivery methods should be determined as early in the planning process as possible, which would give the United Nations the greatest amount of control over project risks. A possible procurement approach would be design-bid-build and design assist. Possible contract types include lump-sum with cost plan, measured quantities with bills of quantities, and guaranteed maximum price. Possible construction delivery includes construction manager, managed construction, or general contractor.

69. Contract management is an essential function that should be performed by the United Nations dedicated project management team and assigned to a full-time position, distinct from procurement functions. Primary objectives are to ensure that deliverables conform to contract requirements, that vendor performance is closely monitored and that change orders are minimized.

70. Another lessons-learned mission is planned for October 2023 to visit the World Bank and the International Monetary Fund, each of which have recently undertaken and/or are also planning relevant capital construction projects. The project team also intends to visit the Africa Hall at the Economic Commission for Africa in Addis Ababa in early 2024. Given the importance of the building from the standpoint of both heritage and architectural design, the team expects that the lessons related to the modernization of conference technology and building systems within an existing building will be highly beneficial for the United Nations Office at Nairobi project. The project team will therefore also rely on the work being undertaken at United Nations Headquarters related to the modernization of the conferencing infrastructure, including systems, in consultation with the Department for General Assembly and Conference Management and the Office of Information and Communications Technology.

E. Planning and design activities

71. The design stage of the project is scheduled to begin in October 2023 following the award of the design contract in September 2023 for the provision of design services, including a two-week mobilization period.

72. In his previous reports, the Secretary-General set forth the fundamental planning principles of the master plan for the United Nations Office at Nairobi campus and the spatial programme for the design of the conference facilities capital project under the auspices of option B (see [A/77/367](#), paras. 72–77, and figs. VII and VIII). During the present reporting period, in the context of the bid process for the provision of design services, the successful design firm and their subconsultants had the opportunity to visit the project site on two occasions and to meet with members of the United Nations Office at Nairobi project leadership team to validate the firm's understanding of the project scope and design objectives, which remain unchanged.

73. It is not expected that any new or major design developments will become available until 2024 once the first two design stages of the project have been completed (stage 1, project brief; and stage 2, conceptual design) and the third stage is under way (stage 3, spatial coordination). After these stages are complete/under way, the project team intends to include detailed information on the status of the design in the next annual progress report of the Secretary-General at the main part of the seventy-ninth session of the General Assembly.

F. Project schedule

Implementation strategy

74. The project is currently forecast to be substantially completed in 2029 followed by a one-year close-out period, as per the previous report of the Secretary-General.

75. During the present reporting period, there have been no significant changes to the implementation strategy or the project schedule. The implementation strategy continues to include three distinct construction phases: (a) early work and new construction; (b) renovation of existing buildings; and (c) linkages (of phases 1 and 2). The term “early work” included in the first phase is also referred to as “enabling

work” in the design and construction industry. In the case of the United Nations Office at Nairobi project, specifically this phase refers to preparation of the site that will have been formerly occupied by the so-called old office blocks A–J, and related civil engineering and landscaping work related to preparing the ground for the commencement of the construction of the new buildings. The third phase, entitled “linkages”, simply refers to the need to perform minor work to physically connect the two prior phases and to complete the project.

Schedule

76. The updated project schedule is presented in figures II and table 4 below.

Figure II
Project schedule as at 31 July 2023

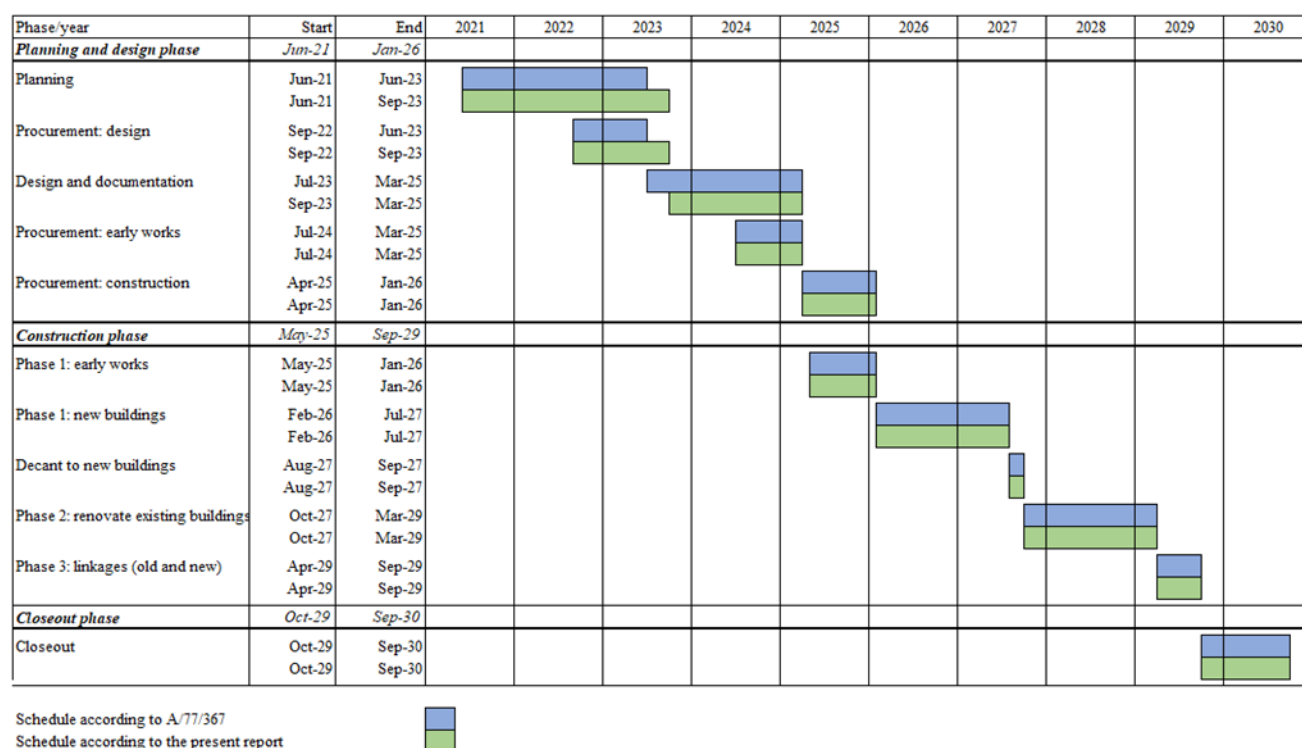


Table 4
Project schedule

	<i>A/77/367</i>		<i>Present report</i>		<i>Reason</i>
	<i>Start</i>	<i>End</i>	<i>New start</i>	<i>New end</i>	
Planning and design phase					
Planning	June 2021	June 2023	June 2021	Sept. 2023	Extension of bid period, design services contract
Procurement: Design	Sept. 2022	June 2023	Sept. 2022	Sept. 2023	Extension of bid period, design services contract
Design and documentation	July 2023	Mar. 2025	Sept. 2023	Mar. 2025	(No change)
Procurement: Early works	July 2024	Mar. 2025	July 2024	Mar. 2025	(No change)
Procurement: Construction	Apr. 2025	Jan. 2026	Apr. 2025	Jan. 2026	(No change)
Construction phase					
Phase 1: Early works	May 2025	Jan. 2026	May 2025	Jan. 2026	(No change)
Phase 1: New buildings	Feb. 2026	July 2027	Feb. 2026	July 2027	(No change)
Decant to new buildings	Aug. 2027	Sept. 2027	Aug. 2027	Sept. 2027	(No change)
Phase 2: Renovate existing buildings	Oct. 2027	Mar. 2029	Oct. 2027	Mar. 2029	(No change)
Phase 3: Linkages (old and new)	Apr. 2029	Sept. 2029	Apr. 2029	Sept. 2029	(No change)
Closeout phase					
Closeout	Oct. 2029	Sept. 2023	Oct. 2029	Sept. 2030	(No change)

77. There was a slight slippage in the project timeline related to the procurement actions for the design services contract of approximately 2.5 months (or 10 weeks) as compared with the previous report. This was due to a request from bidders to extend the bid period, which was attributed to the complexity of the design scope of the project and the potentially high-risk nature of the long project duration. However, despite this slight slippage, the overall schedule of the project is not expected to be negatively affected.

78. The United Nations Office at Nairobi has already begun to explore ways in which the project schedule can be accelerated overall, with the main objective to construct as much of the new construction work as early as possible, thereby minimizing related escalation costs and thereby controlling overall project costs. The team has also considered how the design activities related to the early work construction phase could be advanced so as to begin site preparation for the new construction as early as practicable in 2025. Following contract award, the Office will confirm and further determine schedule acceleration options with the design firm.

79. The above proposed schedule presumes that the General Assembly approves the final scope option and the commencement of the construction phase of the project at the latest during the main part of the seventy-ninth session of the Assembly, so that work can begin in 2025. In the meantime, the United Nations Office at Nairobi considers that both scope options remain viable. Should the General Assembly

eventually decide latest during the main part of its seventy-ninth session to commence the construction phase of the project on the basis of option A, then at that point option B would no longer be considered viable within the cost and schedule parameters described in the present report.

VI. Estimated project costs, project expenditures and resource requirements for 2024

A. Estimated project costs

80. The summary cost estimates of options A and B (at 2023 budget rates) are summarized in table 5 and table 6, respectively. For comparison purposes, the present estimates are shown alongside estimates contained in the previous report of the Secretary-General ([A/77/367](#)). Whereas there is no difference between the project scopes and therefore the construction costs for the two options as compared to the previous report, there have been adjustments made to the professional services category as a result of the award of the design contract during the present period, as well as a revised escalation rate and other more minor adjustments.

Table 5
Estimated costs of option A compared with previous report
(Thousands of United States dollars)

<i>Option A</i>	<i>A/77/367</i>	<i>Present report</i>	<i>Difference</i>	<i>Percentage</i>
Section 33, Construction, alteration, improvement and major maintenance				
1. Construction costs: building	131 376.4	131 376.4	–	–
2. Professional services				
2.1 Design consultancy firm	13 901.5	26 054.1	12 152.6	87.4
2.2 Quantity surveying firm	2 275.0	2 048.9	(226.1)	(9.9)
2.3 Programme management firm	2 275.0	2 048.9	(226.1)	(9.9)
2.4 Independent risk management firm	884.7	884.7	–	–
2.5 Other services (furniture, information technology, licences, third-party reviews)	632.0	632.0	–	–
3. Escalation	35 398.5	32 695.2	(2 703.3)	(7.6)
4. Contingency	19 134.8	20 202.8	1 068.0	5.6
Subtotal, section 33	205 877.9	215 943.0	10 065.1	4.9
Section 29D, United Nations Office at Nairobi				
5. Project management				
5.1 Dedicated project management and support team	20 677.3	20 162.6	(514.7)	(2.5)
5.2 Dedicated coordinator at Headquarters	1 090.0	1 090.0	–	–
5.3 Travel of project management team	220.0	220.0	–	–
Subtotal, section 29D	21 987.3	21 472.6	(514.7)	(2.3)
Section 34, Safety and security				
6. Security requirements (security guards)	689.7	689.7	–	–
Subtotal, section 34	689.7	689.7	–	–
Total	228 554.9	238 105.3	9 550.4	4.2

Table 6
Estimated costs of option B compared with previous report

(Thousands of United States dollars)

<i>Option B</i>	<i>A/77/367</i>	<i>Present report</i>	<i>Difference</i>	<i>Percentage</i>
Section 33, Construction, alteration, improvement and major maintenance				
1. Construction costs: building	151 050.9	151 050.9	–	–
2. Professional services				
2.1 Design consultancy firm	16 615.8	26 264.2	9 648.4	58.1
2.2 Quantity surveying firm	2 719.0	1 963.7	(755.3)	(27.8)
2.3 Programme management firm	2 719.0	1 963.7	(755.3)	(27.8)
2.4 Independent risk management firm	1 063.3	1 063.3	–	–
2.5 Other services (furniture, information technology, licences, third-party reviews)	755.4	755.4	–	–
3. Escalation	41 921.3	36 646.9	(5 274.4)	(12.6)
4. Contingency	22 148.2	21 534.3	(613.9)	(2.8)
Subtotal, section 33	238 992.9	241 242.4	2 249.5	0.9
Section 29D, United Nations Office at Nairobi				
5. Project management				
5.1 Dedicated project management and support team	24 666.6	22 417.1	(2 249.5)	(9.1)
5.2 Dedicated coordinator at Headquarters	1 090.0	1 090.0	–	–
5.3 Travel of project management team	220.0	220.0	–	–
Subtotal, section 29D	25 976.6	23 727.1	(2 249.5)	(8.7)
Section 34, Safety and security				
6. Security requirements (security guards)	689.7	689.7	–	–
Subtotal, section 34	689.7	689.7	–	–
Total	265 659.2	265 659.2	–	–

81. The projected overall costs for option B remain unchanged, although there has been a redistribution of costs between 2023 and 2029 to reflect an increase in design contract costs. This revised cost plan is included as annex I to the present report.

82. The costs for the design services consultancy firm for option B were higher by 58.1 per cent following the results of the competitive procurement action, which was awarded to the firm with the highest technical score and the highest best value for money score. In order to mitigate the increased cost for the design consultancy, the project team plans to implement a higher proportion of the construction work earlier in the construction schedule as compared with the previous report, which will in turn result in lower costs (since the work will be done earlier). Furthermore, the value of the escalation costs is determined by applying a rate of 5.5 per cent over construction cost for option B, as compared with 6.0 per cent in the previous report. The escalation rate was established by referencing recent historic trends in the construction market in the region, as well as recent trends. In addition, the costs of the quantity surveying firm and programme management firm were lower by 27.8 per cent individually, and the costs of project management were lower by 8.7 per cent. This was made possible owing to the fact that some of the quality and cost control-related tasks initially

planned to be performed by the programme management firm and project management team will be performed by the design services consultancy firm.

83. The difference amounted to \$9.5 million in costs given for option A in the previous report, which were higher by 4.2 per cent. This is owing to the decision by the General Assembly in paragraph 14 of section VIII of its resolution [77/263](#) to commission the design work for the project on the basis of option B, without prejudice to future decisions regarding the construction phase of the project. This means that, should the General Assembly eventually decide to approve the construction phase of the project on the basis of option A, then the total cost of the project will have increased because of the fact that the design will have been completed on the basis of option B.

84. The value of the escalation costs is determined by applying a rate of 5.5 per cent. In addition, the costs of quantity surveying firm and programme management firm were lower by 9.9 per cent individually. However, the cost of the project management team increased in 2024 compared with the previous report, because – similar to the paragraph above regarding design costs – the project management team will have already be constituted on the basis of option B; however, costs for the project management team could be reduced after the design phase is completed should the General Assembly eventually decide to construction on the basis of option A.

85. Annex I to the present report contains detailed project cost plans for options A and B, with actual expenditure for 2022 and projected expenditure for each category shown by year, from 2023 until the final completion of the project in 2030.

Contracted construction services

86. Resources for this category remain unchanged since the previous report, since the scope of the project remains unchanged. Resources amounting to \$131,376,400 for option A or \$151,050,900 for option B, excluding contingencies and escalation, are required for the contracting of the construction firms from 2025 to 2029. The breakdown of the required contracted construction services resources for option A is as follows: \$97,064,400 for construction of the new buildings and renovation of the existing buildings; \$5,000,000 for swing space; and \$29,312,000 for technologies related to the sustainability objectives of the project. The breakdown of the resources required for contracted construction services under option B is as follows: \$121,738,900 for construction of the new buildings and renovation of the existing buildings; and \$29,312,000 for technologies related to the sustainability objectives of the project. No (or limited) swing space is required for option B.

Contracted consultancy services

87. Resources amounting to \$31,036,600 for option A and \$31,254,900 for option B, excluding contingencies and escalation, are required for the continuation of the established dedicated consultancy services and contracted external expertise throughout the design and construction stages of the project, from 2022 to 2029. The cost estimates were established by applying a percentage of the construction trade costs, in line with industry norms and recent historical trends on other similar capital projects undertaken by the Organization.

Other services

88. Resources in the amount of \$632,000 for option A and \$755,400 for option B would be required for miscellaneous services needed to undertake the planned construction activities, such as independent construction testing, independent design reviews and software licences.

Dedicated project management staff costs

89. Resource requirements for project management amounting to \$21,472,600 under option A and \$23,727,100 under option B, excluding escalation, comprise temporary positions and travel expenses. The composition of the team is reflected in table 3.

90. Travel costs in the amount of \$220,000 are included in both options to cover trips by members of the project management team from Nairobi to New York, Geneva and other relevant duty stations for the purpose of gleaning lessons learned from recent capital projects, as well as travel for the provision of technical support for contract management.

Contingencies

91. Resources in the amount of \$20,202,800 for option A and \$21,534,300 for option B, excluding escalation, are required for project contingencies from 2025 to 2029. The level of the contingency provision was determined by applying a rate of 10 per cent to the construction costs of the new construction portion of the project scope and a rate of 15 per cent to the construction costs of the renovation portion of the project scope. The rates are in line with industry practice, as well as with recent capital projects undertaken by the Organization, as reflected in the previous report of the Secretary-General (see [A/77/367](#), para. 92). No contingency funding has been used thus far on the project. The contingency level for option B has been reduced slightly compared with the previous report, owing to the contingency calculation applied at the lower escalation rate.

92. As reported previously, no contingency has been applied to the cost of the technologies related to the sustainability objectives of the project. The estimated contingency rate was subject to review by the independent risk management consultant employed by the Global Asset Management Policy Service of the Office of Programme Planning, Finance and Budget for other ongoing capital projects being undertaken by the Organization. Should any significant changes in the market be identified, the rate would be adjusted in future progress reports, although at the present time such changes are not foreseen.

93. In line with General Assembly resolutions [71/272 A](#) and [72/262 A](#) related to other major construction projects undertaken by the Secretariat, any unspent contingency will be returned to Member States at the end of the project.

Escalation

94. Resources amounting to \$32,695,200 for option A and \$36,646,900 for option B are required for projected cost escalation from 2025 to 2029. The value of the escalation costs was determined by applying a rate of 5.5 per cent to project construction cost inflation, compounded annually from July 2022 until the projected start date of each of the two construction contracts. The escalation rate was established by referencing recent historic trends in the construction market in the region, as well as recent trends. The escalation provision does not cover exchange rate fluctuations, which may impact the project.

95. With respect to the potential impact of the COVID-19 pandemic and other world crises that have caused recent disruptions in global markets in general, the project team for the conference facilities capital project has been carefully monitoring developments related to the procurement actions for construction services for the replacement of office blocks A–J project. Owing to the fact that the contract was awarded in August 2023 within the estimated budget, this is an encouraging signal that the local construction market has normalized to an extent. Accordingly, the

project team has decided to revert back to the original planned escalation rate of 5.5 per cent, as initially proposed in the Secretary-General's previous report (A/76/400).

96. The recent trend of the local currency having devalued against several key foreign currencies bodes well for the project in some respects, since the project is financed for and managed in United States dollars. However, gains in foreign currency exchange rates have also been offset by an increase in the cost of imported construction materials, as well as local fuel, labour and other construction costs. The project team will continue to closely monitor developments in the local market and will report on any changes that may affect estimated project costs in future reports of the Secretary-General on the project.

B. Status of expenditure as at 31 July 2023 and projected expenditures up to the end of 2023

97. By its resolution 76/246 A and 77/263, the General Assembly appropriated a total amount of \$8,027,500 for the project for the period 2022–2023, comprising: (a) \$3,223,600 under section 29 D, United Nations Office at Nairobi; and (b) \$4,803,900 under section 33, Construction, alteration, improvement and major maintenance, of the programme budget.

98. The cumulative expenditure as at 31 July 2023 and projected expenditures for the remainder of 2023 are provided in table 7. It is projected that a cumulative unused balance of \$1,159,900 will remain at the end of 2023.

Table 7

Status of Expenditures as at 31 July 2023 and projection for the remainder of 2023

(Thousands of United States dollars)

	<i>Appropriation for 2022–2023</i>	<i>Cumulative expenditure as at 31 July 2023</i>	<i>Projected expenditure from 1 August to 31 December 2023</i>	<i>Total projected expenditure from 2022–2023</i>	<i>Projected unused balance at the end of 2023</i>
	(a)	(b)	(c)	(d)=(b)+(c)	(e)=(a)–(d)
Section 33, Construction, alteration, improvement and major maintenance					
1. Construction costs	–	–	–	–	–
2. Professional services	4 803.9	258.7	4 570.2	4 828.9	(25.0)
3. Escalation	–	–	–	–	–
4. Contingency	–	–	–	–	–
Subtotal, section 33	4 803.9	258.7	4 570.2	4 828.9	(25.0)
Section 29D, United Nations Office at Nairobi					
5. Project management	3 223.6	1 199.8	838.9	2 038.7	1 184.9
Subtotal, section 29D	3 223.6	1 199.8	838.9	2 038.7	1 184.9
Section 34, Safety and security					
6. Security requirements (security guards)	–	–	–	–	–
Subtotal, section 34	–	–	–	–	–
Total	8 027.5	1 458.5	5 409.1	6 867.6	1 159.9

99. An amount of \$4,570,200 is projected to be spent under section 33, Construction, alteration, improvement and major maintenance, in the remainder of 2023, comprising \$3,323,100 for design consultancy firm, \$543,800 for quantity surveying firm, \$543,800 for programme management firm and \$159,500 for independent risk management firm.

100. An amount of \$838,900 is projected to be spent under section 29D, United Nations Office at Nairobi, in the remainder of 2023, comprising \$820,300 for the cost of the above-mentioned project management team positions, and \$18,600 for the travel of the project management team to other United Nations duty stations (in particular New York) to glean lessons learned from recent capital projects, as well as the travel to Nairobi of staff based at Geneva to provide technical guidance, advice and oversight.

101. As shown in table 7, a balance of \$1,159,900 is projected to remain unused at the end of 2023, mainly owing to underexpenditure of project management. The projected overall cost plan for the project remains unchanged, although there has been a redistribution of costs between 2022 and 2024 to reflect the related expenditure for professional services and project management. This revised cost plan is included as annex I to the present report.

C. Resource requirements for 2024

102. The resource requirements for 2024 are reflected in table 8. The total projected expenditure for 2024 amounts to \$13,088,100, comprising:

(a) \$9,812,000 under section 33, Construction, alteration, improvement and major maintenance, which would provide for professional service fees, including the services of: (i) the design consultancy firm; (ii) the quantity surveying firm; (iii) the programme management firm; and (iv) the independent risk management firm, to provide independent opinions on the design development, programme management and risk management, for which an outside assessment provides value;

(b) \$3,276,100 under section 29D, United Nations Office at Nairobi, which would provide for: (i) \$3,236,100 for the continuation of the dedicated management team (1 D-1, 2 P-5, 5 P-4, 4 P-3, 1 P-2, 4 National Professional Officers and 3 Local level positions); and (ii) \$40,000 for travel of the project management team to other United Nations duty stations (in particular New York and Geneva) to glean lessons learned from recent capital projects, with an emphasis on the development of the terms of reference for the design consultancy firm, as well as travel for the provision of technical support for contract management.

Table 8
Resource requirements for 2024

(Thousands of United States dollars)

<i>Option B</i>	<i>Projected expenditure in 2024</i>	<i>Projected unused balance at the end of 2023</i>	<i>Net funding requirement in 2024</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c)=(a)-(b)</i>
Section 33, Construction, alteration, improvement and major maintenance			
1. Construction costs: building	—	—	—
2. Professional services	9 812.0	(25.0)	9 837.0
3. Escalation	—	—	—
4. Contingency	—	—	—
Subtotal, section 33	9 812.0	(25.0)	9 837.0

<i>Option B</i>	<i>Projected expenditure in 2024</i>	<i>Projected unused balance at the end of 2023</i>	<i>Net funding requirement in 2024</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c)=(a)-(b)</i>
Section 29D, United Nations Office at Nairobi			
5. Project management	3 276.1	1 184.9	2 091.2
Subtotal, sections 29D	3 276.1	1 184.9	2 091.2
Section 34, Safety and security			
6. Security requirements (security guards)	–	–	–
Subtotal, section 34	–	–	–
Total	13 088.1	1 159.9	11 928.2

103. The projected requirements of \$13,088,100 for 2024 would be funded from appropriations and assessed funding already made in previous years by Member States and the appropriation request in the present report. Given that the General Assembly, in its resolution [77/263](#) (sect. VIII, para. 20), decided to establish a multi-year construction in-progress account for the project, the anticipated unused balance of \$1,159,900 from Member States appropriation at the end of 2023 will be carried forward and partly cover the funding requirements in 2024.

VII. Proposed next steps to be taken in 2024

104. The proposed next steps to be taken in 2024 are as follows:

(a) Continue the design phase of the project on the basis of option B, specifically stages 2 to 4 (conceptual design, spatial coordination and technical design);

(b) Complete various deliverables under the first year of the design phase of the project, including: (i) the programme manual and annual scope, objective and benefits confirmation reports under the auspices of the programme management contract; and (ii) the risk management strategy and annual risk management report, including Monte Carlo analysis, under the auspices of the independent risk management consultancy contract;

(c) Conduct design peer reviews of stage 2 (conceptual design);

(d) Update the project implementation plan and cost plan in line with the outcomes of the design progress made in 2023 and 2024, to be presented to the General Assembly in the sixth annual progress report of the Secretary-General. The cost plan will form the basis of the request for the General Assembly's approval to commence the construction phase of the project beginning in 2025;

(e) Continue to engage the host country in securing the required project support for enabling infrastructure in the neighbourhood, and conduct the necessary reviews for the design work to ensure that the host country and United Nations work is fully coordinated;

(f) Continue to glean lessons learned and best practices from other projects being undertaken by the Organization, including a planned mission in early 2024 to the Africa Hall at the Economic Commission for Africa, which is currently under renovation;

(g) Solicit voluntary and in-kind contributions for the project.

VIII. Recommended actions to be taken by the General Assembly

105. The General Assembly is requested:

- (a) To take note of the report of the Secretary-General;
- (b) To approve the scope of option B for the project;
- (c) To approve the recommended implementation strategy and schedule of seven years until substantial completion, plus one additional year for close-out;
- (d) To approve the maximum overall cost of the project in the amount of \$265,659,200;
- (e) Appropriate an amount of \$11,928,200 for the project in 2024, comprising: (i) \$9,837,000 under section 33, Construction, alteration, improvement and major maintenance; and (ii) \$2,091,200 under section 29D, United Nations Office at Nairobi.

Annex I

Project cost plans for each option

Table 1

Option A

(Thousands of United States dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total (a)	Reported in A/77/367 (b)	Difference (c)=(a)-(b)
Section 33, Construction, alteration, improvement and major maintenance												
1. Construction costs: building												
1.1 Building	–	–	–	9 760.4	19 412.9	14 505.8	42 708.3	10 677.0	–	97 064.4	97 064.4	–
1.2 Sustainability	–	–	–	–	11 138.6	18 173.4	–	–	–	29 312.0	29 312.0	–
1.3 Swing space	–	–	–	5 000.0	–	–	–	–	–	5 000.0	5 000.0	–
Subtotal, construction costs	–	–	–	14 760.4	30 551.5	32 679.2	42 708.3	10 677.0	–	131 376.4	131 376.4	–
2. Professional services												
2.1 Design consultancy firm	233.7	3 323.1	8 804.0	4 414.4	4 278.5	1 898.7	2 481.4	620.3	–	26 054.1	13 901.5	12 152.6
2.2 Quantity surveying firm	–	543.8	367.6	379.1	189.6	189.6	189.6	189.6	–	2 048.9	2 275.0	(226.1)
2.3 Programme management firm	–	543.8	367.6	379.1	189.6	189.6	189.6	189.6	–	2 048.9	2 275.0	(226.1)
2.4 Independent risk management firm	25.0	159.5	159.5	114.0	114.0	114.0	114.0	84.7	–	884.7	884.7	–
2.5 Other services (furniture, information technology, licenses, third-party reviews)	–	–	113.3	94.8	94.8	117.4	116.9	94.8	–	632.0	632.0	–
Subtotal, professional services (consultancies)	258.7	4 570.2	9 812.0	5 381.4	4 866.5	2 509.3	3 091.5	1 179.0	–	31 668.6	19 968.2	11 700.4
3. Escalation	–	–	–	2 571.9	4 636.3	4 452.7	16 179.7	4 854.6	–	32 695.2	35 398.5	(2 703.3)
4. Contingency	–	–	–	1 792.8	3 565.7	2 664.4	9 743.9	2 436.0	–	20 202.8	19 134.8	1 068.0
Subtotal, escalation and contingencies	–	–	–	4 364.7	8 202.0	7 117.1	25 923.6	7 290.6	–	52 898.0	54 533.3	(1 635.3)
Subtotal, section 33	258.7	4 570.2	9 812.0	24 506.5	43 620.0	42 305.6	71 723.4	19 146.6	–	215 943.0	205 877.9	10 065.1

	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total (a)	Reported in A/77/367 (b)	Difference (c)=(a)-(b)
Section 29D, United Nations Office at Nairobi												
5. Project management												
5.1 Dedicated project management and support team	473.6	1 496.2	3 236.1	2 930.8	3 048.8	3 048.8	2 529.9	2 236.3	1 162.1	20 162.6	20 677.3	(514.7)
5.2 Dedicated coordinator at Headquarters	—	—	—	218.0	218.0	218.0	218.0	218.0	—	1 090.0	1 090.0	—
5.3 Travel of project management team	19.2	49.7	40.0	40.0	20.0	20.0	20.0	11.1	—	220.0	220.0	—
Subtotal, section 29D	492.8	1 545.9	3 276.1	3 188.8	3 286.8	3 286.8	2 767.9	2 465.4	1 162.1	21 472.6	21 987.3	(514.7)
Section 34, Safety and security												
6. Security requirements (security guards)	—	—	—	125.4	125.4	125.4	125.4	125.4	62.7	689.7	689.7	—
Subtotal, section 34	—	—	—	125.4	125.4	125.4	125.4	125.4	62.7	689.7	689.7	—
Total	751.5	6 116.1	13 088.1	27 820.7	47 032.2	45 717.8	74 616.7	21 737.4	1 224.8	238 105.3	228 554.9	9 550.4

Table 2
Option B

(Thousands of United States dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total <i>(a)</i>	Reported in <i>A/77/367</i> <i>(b)</i>	Difference <i>(c)=(a)-(b)</i>
Section 33, Construction, alteration, improvement and major maintenance												
1. Construction costs: building												
1.1 Building	–	–	–	12 173.9	30 434.7	45 043.4	27 269.5	6 817.4	–	121 738.9	121 738.9	–
1.2 Sustainability	–	–	–	–	11 138.6	18 173.4	–	–	–	29 312.0	29 312.0	–
Subtotal, construction costs	–	–	–	12 173.9	41 573.3	63 216.8	27 269.5	6 817.4	–	151 050.9	151 050.9	–
2. Professional services												
2.1 Design consultancy firm	233.7	3 323.1	8 804.0	4 456.0	4 582.2	3 160.8	1 363.5	340.9	–	26 264.2	16 615.8	9 648.4
2.2 Quantity surveying firm	–	543.8	367.6	367.5	171.2	171.2	171.2	171.2	–	1 963.7	2 719.0	(755.3)
2.3 Programme management firm	–	543.8	367.6	367.5	171.2	171.2	171.2	171.2	–	1 963.7	2 719.0	(755.3)
2.4 Independent risk management firm	25.0	159.5	159.5	159.5	159.5	159.5	159.5	81.3	–	1 063.3	1 063.3	–
2.5 Other services (furniture, information technology, licenses, third-party reviews)	–	–	113.3	113.3	113.3	151.1	151.1	113.3	–	755.4	755.4	–
Subtotal, professional services (consultancies)	258.7	4 570.2	9 812.0	5 463.8	5 197.4	3 813.8	2 016.5	877.9	–	32 010.3	23 872.5	8 137.8
3. Escalation	–	–	–	2 121.2	7 268.6	13 826.5	10 330.9	3 099.7	–	36 646.9	41 921.3	(5 274.4)
4. Contingency	–	–	–	1 940.6	4 851.6	7 180.3	6 049.4	1 512.4	–	21 534.3	22 148.2	(613.9)
Subtotal, escalation and contingencies	–	–	–	4 061.8	12 120.2	21 006.8	16 380.3	4 612.1	–	58 181.2	64 069.5	(5 888.3)
Subtotal, section 33	258.7	4 570.2	9 812.0	21 699.5	58 890.9	88 037.4	45 666.3	12 307.4	–	241 242.4	238 992.9	2 249.5
Section 29D, United Nations Office at Nairobi												
5. Project management												
5.1 Dedicated project management and support team	473.6	1 496.2	3 236.1	3 472.1	3 590.1	3 590.1	3 035.9	2 462.6	1 060.4	22 417.1	24 666.6	(2 249.5)
5.2 Dedicated coordinator at Headquarters	–	–	–	218.0	218.0	218.0	218.0	218.0	–	1 090.0	1 090.0	–
5.3 Travel of project management team	19.2	49.7	40.0	40.0	20.0	20.0	20.0	11.1	–	220.0	220.0	–
Subtotal, section 29D	492.8	1 545.9	3 276.1	3 730.1	3 828.1	3 828.1	3 273.9	2 691.7	1 060.4	23 727.1	25 976.6	(2 249.5)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	<i>Total</i>	<i>Reported in A/77/367</i>	<i>Difference</i>
										<i>(a)</i>	<i>(b)</i>	<i>(c)=(a)-(b)</i>
Section 34, safety and security												
6. Security requirements (security guards)	–	–	–	125.4	125.4	125.4	125.4	125.4	62.7	689.7	689.7	–
Subtotal, section 34	–	–	–	125.4	125.4	125.4	125.4	125.4	62.7	689.7	689.7	–
Total	751.5	6 116.1	13 088.1	25 555.0	62 844.4	91 990.9	49 065.6	15 124.5	1 123.1	265 659.2	265 659.2	–

Annex II

A. Monthly expenditure from project inception to 31 July 2023

(Thousands of United States dollars)

		<i>Jan.</i>	<i>Feb.</i>	<i>Mar.</i>	<i>Apr.</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>Aug.</i>	<i>Sept.</i>	<i>Oct.</i>	<i>Nov.</i>	<i>Dec.</i>	<i>Category total</i>	<i>Annual total</i>	<i>Total expenditure 2022 to July 2023</i>
2022	Construction costs (section 33)	—	—	—	—	—	—	—	—	—	—	—	—	—		
	Professional services (section 33)	—	—	—	—	—	—	—	—	158.0	—	—	100.7	258.7	751.7	
	Project management (section 29G)	—	—	—	8.5	29.7	38.9	74.4	95.4	69.4	54.8	61.2	60.7	493.0		
	Security requirements (section 34)	—	—	—	—	—	—	—	—	—	—	—	—	—		
																1 458.6
2023	Construction costs (section 33)	—	—	—	—	—	—	—	—	—	—	—	—	—		
	Professional services (section 33)	—	—	—	—	—	—	—	—	—	—	—	—	—		
	Project management (section 29G)	55.3	74.3	72.4	91.6	121.8	111.4	180.1	—	—	—	—	—	706.9	706.9	
	Security requirements (section 34)	—	—	—	—	—	—	—	—	—	—	—	—	—		

B. Total project expenditure by category as at 31 July 2023

<i>Category</i>	<i>Expenditure (thousands of United States dollars)</i>
Construction costs (section 33)	—
Professional services (section 33)	258.7
Project management (section 29G)	1 199.9
Security requirements (section 34)	—
Total	1 458.6

Annex III**Use of the contingency provision (spent and earmarked)**

No contingency funding has been used thus far on the project.
