

**Programme Budget for the biennium 2014-2015
Strategic heritage plan of the United Nations Office at Geneva**

**Introductory statement to the Fifth Committee
by
Mr. Stephen Cutts, Assistant Secretary-General, Office of Central Support Services**

21 November 2014

Mister Chairman,

Distinguished Members of the Committee,

I am pleased to introduce to you the Secretary-General's progress report on the Strategic Heritage Plan of the United Nations office at Geneva, which is submitted herewith for your consideration pursuant to section V of General Assembly resolution 68/247. Following the approval by the General Assembly of the implementation strategy, the establishment of a dedicated project management team, and commencement of the project design, this report summarizes progress on the planning and implementation activities undertaken in 2014. The report contains updated information on the establishment of project internal control mechanisms, the governance and oversight framework and a refined proposal with regard to the functions of the dedicated project team, and outlines the next steps necessary to start construction works at the earliest opportunity.

The report also provides detailed information on the status of negotiations with the host country on the loan package, which includes separate loans for the construction and for the renovation portions of the project scope. The report also provides information on alternative financing mechanisms, as requested by the General Assembly.

The General Assembly is requested to approve the next steps for the project and the dedicated project management team which has been reduced in size. Approval is also sought for the resources for 2015 in the amount of CHF 26,283,400 to continue the ongoing planning effort. The Secretary-General also solicits approval of the proposed establishment of a multi-year

account for the project. Finally, guidance is requested from the General Assembly on the possible funding arrangements contained in the report.

On the progress made since the approval of the implementation strategy, I would note that following the approval of the implementation strategy for the Strategic Heritage Plan, the Secretary-General immediately initiated mandated works, including recruiting the dedicated project management team, engaging required architectural consultancy services, and developing the project design brief.

The project team, in coordination with the Office of Central Support Services, has collected lessons learned from other capital projects undertaken by the organization, including the capital master plan, and have incorporated them into the work undertaken thus far.

On the establishment of the project internal control mechanisms, these mechanisms will consist of a work and cost breakdown plan, which will be continuously monitored against established cost and time schedules. In addition, an independent risk management consultant will advise on the project risks mitigation strategy and keep the up-to-date project risk register.

The project implementation plan defines the necessary activities and steps to ensure compliance with programme objectives in terms of scope, quality and cost standards.

The Secretary-General has also further developed the proposed governance and oversight structure in order to ensure that the project remains within budget, schedule and quality. Building on the overall risk management strategy, the present report describes the proposed governance structure, comprised of a Steering Committee responsible for high level oversight of the project, and an Advisory Board responsible for providing the Director-General of the United Nations Office at Geneva with independent and impartial advice on the management of the project.

The report also provides an update on project financing, in particular on the detailed terms of the formal offer of a loan package from the host country.

I am pleased to report that the host country has the possibility to grant to the United Nations an interest-free loan for the replacement of the E building, and a Swiss Government guarantee that will provide for a low interest rate loan for a portion of the renovation scope. The detailed terms and modalities of both loans are spelled out in the report.

As requested by the General Assembly, the Secretary-General continued to explore proactively the possibility of alternative funding mechanisms, with the aim of reducing the overall assessment on Member States. It has been determined that Public Private Partnership (PPP) options are not viable for the project, and are no longer being considered. Voluntary contributions from Member States are being actively sought, and a significant donation has recently been pledged by the United Arab Emirates.

This information is intended to be useful to Member States in considering financing aspects of project at an early stage, in anticipation of the proposal for project approval and funding at the seventieth session of the General Assembly.

Mr. Chairman, distinguished members of the Committee, in order to enable the execution of the crucial forthcoming project tasks, several next steps need to be undertaken as a matter of priority. These include: completing the project master plan and concept design, completing in-depth building and site assessments, developing the detailed design for the replacement of the E building and establishing the project governance structure.

Resource requirements

In the previous report of the Secretary-General, it was reported that estimated resource requirements in the amount of CHF42,000,000, inclusive of allowances, would be needed for the project management team, the liaison staff and the consultancy services. Members will recall that the General Assembly approved only the portion of resources necessary to cover the activities for 2014, deferring to the current session for consideration of the required resources for 2015, which are estimated at CHF 26,283,300.

These resources are requested for the strategic heritage plan dedicated project management team, including the proposal for three additional temporary positions and six operational experts in key technical and support areas. This is an overall reduction of four positions compared to the previous report. The functions of the four positions are proposed to be replaced by more flexible specialized consultancy services.

On the question of the requirements for contractual services related to programme management, risk management, and design services, I would like to emphasize that the next steps for the project, as described in the report, are the key critical path activities in order to maintain the planned project schedule, with construction commencing in early 2017. Postponing a decision on the next steps and resource requirements would entail a demobilization of the current consulting companies and subsequent re-mobilization, which would result in a delay and in additional costs to the project. The General Assembly is therefore requested to approve during this session the required funding to permit the continuation of critical project activities without interruption from the beginning of 2015.

Mr. Clemens Adams, Director, Division of Administration, United Nations Office at Geneva and the recently appointed project director of the strategic heritage plan, Mr. Daniel Hogan, will be available on Monday and Tuesday of next week to answer questions and provide additional detailed information as required.

Thank you Mister Chairman and distinguished Members of the Committee. My colleagues and I are now available to answer your questions.