

Seventy-third session main part: Agenda item 136

**Fifth Committee of the General Assembly
16 November 2018**

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

**Remarks by
Mr. Christian Saunders, Assistant Secretary-General
Office of Central Support Services**

Madame Chair, Distinguished Delegates,

I am pleased to introduce the Secretary-General's fifth annual progress report on the Strategic Heritage Plan (SHP) of the United Nations Office at Geneva for your consideration, pursuant to General Assembly resolution 70/248, in which the Assembly approved the overall scope, schedule and estimated cost of the project, and resolution 72/262.

Progress

Significant progress has been made during this reporting period towards achieving key project milestones for planning, design, procurement and construction activities. This includes work on the construction of the new permanent building, which has reached the second-floor level, and the prequalification of vendors for the tendering of renovation works for the historic buildings. In the area of procurement, strategic outreach through engaging Permanent Missions, conducting business seminars, attending international industry forums and advertisements through the UN Global Marketplace has been pursued in order to attract a broad pool of qualified international bidders.

Project financing

The report provides an update on project financing, including the latest forecasts on costs and expenditure.

Following the recommendation of the Board of Auditors, in its report A/73/157, paragraph 82, and given that the project is entering into significant high value multi-year construction contracts that extend beyond a single budget year, the Secretary-General is recommending that the General Assembly elects, during the current session, to approve a scheme of appropriation for the project founded on a one-time up-front appropriation, with a mix of one-time and multi-year assessments.

This option would strengthen the project, as it would bring added certainty concerning its financing and allow for the possibility of some upfront payments from Member States, which would mitigate possible cash-flow risks.

Valorization

Pursuant to resolution [70/248 A](#), the Secretary-General has continued to pursue innovative ways and opportunities to valorize underutilized property owned by the Organization in Geneva. Since the last progress report, studies have progressed, and the Secretary-General now envisages that between CHF 80.6 million to CHF 133 million can realistically be achieved through valorization.

Modernizing the work environment

During the reporting period, the Secretary-General, as directed by the General Assembly, did not proceed with either the feasibility study, nor the technical design of interior office spaces originally proposed in the fourth annual progress report, [A/72/521](#). Instead, and in line with the direction to continue monitoring the situation, and a recommendation from the SHP Steering Committee, a working group of subject matter experts from both Geneva and Headquarters was established.

Following the review of this working group, the Secretariat wishes to strongly recommend that mechanical ventilation and cooling systems are installed during the renovation work of the historic Palais as part of the SHP. The estimated cost to carry out this work as part of the project is approximately CHF 67 million, versus a significantly higher estimated amount of CHF 108 million, if the work were to be performed after the renovation work has been completed.

The most viable way to achieve this would be to utilize water from Lake Geneva. The work, if approved, would utilize innovative engineering so as to fully preserve the architectural heritage and integrity of the building.

This essential intervention would also be more energy efficient and cost effective if combined with a more open office layout. Such a layout, in turn, would support more collaborative and flexible working and would also make it possible to increase the number of people that can be accommodated. The introduction of cooling and ventilation combined with flexible workplace strategies would also thus provide additional annual rental income for the Organisation.

The Secretary-General proposes to finance the additional estimated cost of CHF 67 million through valorization income, so as to ultimately offset any related Member States appropriations.

This is a unique opportunity of an alignment of factors, including having a project framework in place that already incorporates the costs for moves and for minimising disruption; an already mobilised and funded project team, and a suggested source of funding for the works along with the knowledge that if it were to be deferred into the future, that it would be accompanied by far greater disruption and significantly higher costs. The Secretariat believes this makes for a compelling argument to include this within the scope of the SHP project.

Finally, the Secretary-General is grateful for the strong support of the General Assembly for this important project to-date and would like to call your attention to Section VII, paragraph 135 which outlines the recommended actions and decisions of the Assembly which are imperative for achieving the project's timelines and milestones in the most cost-effective manner, and with the greatest long-term benefit to the Organisation.

Thank you, Madame Chair and Distinguished Delegates.