

# **Seventh annual progress report on the Strategic Heritage Plan of the United Nations Office at Geneva**

## **FIFTH COMMITTEE**

### **Statement by**

**Mr. Chandramouli Ramanathan, Assistant Secretary-General, Controller,  
13 November 2020**

Mr. Chairman  
Distinguished Delegates,

I am pleased to introduce the Secretary-General's seventh progress report on the Strategic Heritage Plan of the United Nations Office at Geneva. The report is submitted pursuant to section X of General Assembly resolution 70/248 and subsequent resolutions.

This year's report provides an update on progress in the reporting period, the impact of the COVID-19 pandemic, the latest cost and schedule estimates and the alternative funding mechanisms.

### *Progress*

Despite COVID-19, significant progress has been made during this reporting period towards achieving key project milestones for planning, design, procurement and construction activities:

- (a) work on the construction of the new permanent building, Building H, which is nearing completion;
- (b) the successful finalization of the tender and signing of the contract for the renovation of the 1930s historic buildings, and completion of the pre-construction services phase;
- (c) The issuance of a Request for Information, seeking potential contractors' feedback on the procurement and contracting strategy for the tender for the renovation of the 1970's building E; and
- (d) and the procurement, design and construction of the temporary conference building, Tempus, comprising three 200-seat conference rooms to ensure continuity of mandated conferencing activities during the renovation works. The first conferences in this temporary building have already taken place in September 2020.

### *Project schedule*

The latest programme schedule has been updated to reflect the progress of work during the reporting period and includes the preliminary estimate of the impacts resulting from the ongoing COVID-19 pandemic.

Works on both the new permanent building H and the temporary conference building were suspended in March 2020 and re-started over a month later. Additionally, owing to the impact on site activities and decreased productivity resulting from the public health restrictions, the delivery date for the new building H has been delayed to early 2021. The project team is working diligently to mitigate this delay.

The progress of the renovation pre-construction services, and the subsequent construction phases, have also been impacted by the pandemic. The United Nations has taken full advantage of the flexibility afforded by the contract in the preconstruction phase to re-sequence the delivery of the sections of work in order to maintain business continuity and mitigate the overall impact on the schedule and budget. The Contractor has last week submitted the Guaranteed Maximum Price proposal and intensive work is going on to finalize and agree the Guaranteed Maximum Price and the revised schedule for the renovations, the outcome of which should be known by the end of this month. The main renovation works would start very soon following the agreement on the Guaranteed Maximum Price.

### *Project Budget and Contingency Management*

The cost of implementing new regulatory measures in response to COVID-19, the impact of reduced productivity on the work sites and the additional overhead costs arising from the schedule extension together with the forecast increase on the escalation allowance for building E mean that the probability of achieving the currently planned scope of the project on budget has been very significantly reduced.

The Secretary-General intends to identify, prioritize and implement value engineering and cost reduction proposals to mitigate the risk of cost overruns; the timing of these decisions is critical. Technical feasibility assessment studies are required to ensure that such measures can realize the savings initially estimated. This feasibility assessment is currently in progress.

### *Valorization*

In March 2020, an agreement was signed for a 90-year lease with development rights for the Villa and Parc des Feuillantines land in the amount of CHF 25.6 million and marks the first major milestone in the achievement of the valorization programme and a substantial additional income for Member States.

During the reporting year, the Secretary-General has continued to refine the approach to the valorization of other assets owned by the Organization in Geneva and a comprehensive

valorization strategy is presented in Annex IV of the present report for approval.

The General Assembly is requested to endorse the implementation of the valorization strategy set out in the main report and authorize the expenditures on the necessary preparatory costs to be funded from Income Section 2 of the programme budget.

#### *New Visitors' Centre*

As outlined in previous reports of the Secretary-General, the United Nations Office at Geneva is working with a private not-for-profit foundation on the in-kind donation of a new visitors' center within the campus.

During the current reporting period, in close coordination with the United Nations, the foundation developed the architectural design and began the conceptual planning of the content to be displayed in the new centre.

As part of the donation, the foundation has agreed to provide funds towards the long-term upkeep, maintenance and operations of the facility. Whilst the Secretary-General welcomes the donation and considers that it has the potential to significantly subsidize the cost of activities that would otherwise be borne by the Organization, there is a risk that the new facility may entail additional financial liability for the Organization in the future. Accordingly, the approval by the General Assembly to accept the in-kind donation is requested.

Mr. Chairman, Members of the Committee,

The support of the General Assembly to the Strategic Heritage Plan is important to the success of the project. The recommended actions of the General Assembly in the context of the present report are laid out in Section VII (paragraph 108).

I thank you.