

Agenda item 130.
Programme budget: biennium 2012-2013:
**Special subjects: Construction of additional office facilities at the Economic
Commission for Africa and the United Nations Office at Nairobi**

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10 October 2012

Mr. Chairman, Distinguished delegates,

I have the pleasure to introduce the reports of the Secretary-General which summarize the progress on constructions at the United Nations in the following order:

- ☒ final report on the additional office facilities at United Nations Office at Nairobi (UNON) contained in A/67/217;
- ☒ and the progress made since last year on the construction of additional office facilities at the Economic Commission for Africa at Addis Ababa (ECA) contained in A/67/216.

The reports are the results of efforts made over this past year in meeting the recommendations of the General Assembly, as well as close collaboration between the Office of Central Support Services at Headquarters in New York, and the management teams in Nairobi and Addis Ababa.

With respect to the new office facility at the United Nations Office at Nairobi, in its report A/66/7/Add.3, the ACABQ welcomed the successful completion of the UNON project. The General Assembly endorsed the views of the Committee in resolution 66/247. The Committee also requested that a post-completion review be performed, including a comparison between actual and forecasted costs and benefits, a space utilization analysis, and an assessment of the procedures used to ensure the successful completion of the project.

The construction phase of the new office facility at UNON began in May 2009 and was completed on schedule and under budget in December 2010. Although the savings of the project may have been greater due to the devaluation of the Kenyan shilling during the construction bid phase, this savings was offset by a sharp rise of between 25 to 30% in construction inflation rates during the same period. The total project savings, along with additional rental income above and beyond the project costs, will be returned to income Section 2 of the regular budget, General Income.

The final report A/67/217 contains an analysis of the benefits of the project. The original project brief called for the provision of office space for all United Nations offices located outside of the UNON complex, so that those offices could relocate within the complex.

In 2008, the brief was expanded to include additional office space for existing tenants within the UNON complex. In summary, the full benefit of the project has been realized, as all offices requiring space within the complex have successfully relocated.

The report also contains a full space utilization analysis, including explanations for why eight of the entities that were originally included in the projected space requirements ultimately did not relocate to within the UNON complex.

Finally, the report includes lessons learned. Among the lessons learned are the need to allow sufficient time for architects to complete contract documents, to establish a dedicated project management team, to establish an effective organizational and management structure, and to consider all costs associated with the project in the budgeting phase, including interior fit-out costs, information technology and move costs. Promulgation of these lessons learned is being undertaken by the Office of Central

waterproofing on the roof terrace was completed in July of this year. Critical electrical works are scheduled for completion next year. A complete project scope of required repair and renovation works is currently being developed, and will be presented to Member States at the 68th Session of the General Assembly.

In conclusion, while some positive progress has been made with the construction of New Office Facility, the project is still exposed to significant risks related to the contractor's performance. Notwithstanding the risks posed by the contractor's performance, thanks to the diligence of the project team, costs have been contained and the project is expected to be completed on budget. Continued management focus is required in the final months of the planned schedule in order to keep the project on track.

Mr. Chairman, distinguished delegates, I thank you for your attention.