



General Assembly

Distr.: General
15 October 2024

Original: English

Seventy-ninth session

Agenda item 139

Proposed programme budget for 2025

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

Report of the Secretary-General

Summary

During the reporting period, construction and renovation work continued to advance, despite the global economic context affecting costs, necessary variations to the work, and the planning and resourcing challenges faced by the main works contractor.

While the Secretary-General continues to apply stringent cost mitigation efforts, in the current global economic context, cost mitigation is challenging and often comes at the expense of time. The project team continues working diligently to complete the works, with section S1 of building S (a historic office building for approximately 900 staff) having achieved substantial completion during late summer 2024. The remaining historic conference rooms under renovation in building A and section AB are expected to be returned to service during the first half of 2025. Building E is in the pre-construction services phase where the contractor is tendering the works packages, which will culminate in the guaranteed maximum price negotiated and finalized by the third quarter of 2025.

Due to the partial closure of several buildings on the Palais des Nations campus in response to the liquidity constraints, 19 entities are currently occupying building H. The United Nations Office at Geneva is now implementing an increased space optimization ratio, as recommended by the Board of Auditors in 2022.

The strategic heritage plan is currently forecasted to have a cost overrun of 14 per cent of the approved budget of SwF 836.5 million, based on the result of the recent Monte Carlo simulation at the “P80” confidence level. The United Nations Office at Geneva has continued to make every effort to improve that situation through close management of the remaining works and project expenditures. Despite these efforts, current projections show that the budget originally approved for the project in 2015 will not be sufficient. The definitive and full cost of the project, while forecasted, will not be known with complete certainty until the guaranteed maximum



price is finalized with the contractor for building E. As requested by the Advisory Committee on Administrative and Budgetary Questions in [A/78/7/Add.18](#), de-scoping options are presented in annex VI to the present report for the consideration of the General Assembly. However, the Secretary-General is of the strong opinion that finishing the full scope of the project would represent the best value for money for Member States and would ultimately be in the best interest of the Organization.

It is essential for the General Assembly to authorize the Secretariat to conclude the guaranteed maximum price agreement for building E, acknowledging that with this contractual action, the approved strategic heritage plan budget will be exceeded. Any delay in accepting the guaranteed maximum price will further increase the cost overrun of the project, given that there would be additional costs of approximately SwF 2.5 million per month. Delays also expose the project to the risk of any potential escalation in construction prices that could also occur during such a period.

The General Assembly is requested: (i) to take note of the present report; (ii) to decide on the scheme and currency of appropriation and assessment for the project; (iii) to approve the establishment of a multi-year special account for the project; (iv) to decide whether to implement any of the de-scoping options presented in the present report; (v) to approve the continuation of the position of Architect (P-4) until the end of 2025; (vi) to approve the change in function of the operational expert (P-3) from Architect to Engineer; and (vii) to authorize the Secretariat to conclude the guaranteed maximum price agreement for building E by the third quarter of 2025, acknowledging that with this contractual action, the SwF 836.5 million total budget approved by the General Assembly will be exceeded, up to potentially the current P80 forecast cost of SwF 954.7 million.

Contents

	<i>Page</i>
I. Introduction	5
II. Project objectives and benefits	6
A. Objectives	6
B. Benefits	6
III. Project governance, management and accountability	6
A. Advisory Board	6
B. Steering Committee	6
C. Project assurance	6
D. Project management	7
IV. Risk management	11
V. Progress made on the project during the reporting period	14
A. Status of activities	14
B. Procurement and contracting activities	18
C. Lessons learned	19
D. Flexible workplace strategies and space efficiency	19
E. Attracting additional United Nations entities to the Palais des Nations	21
F. Update on measures to eliminate physical, communications and technical barriers to persons with disabilities	22
G. Sustainability and reduction of energy consumption	22
H. Information and communications technology, audiovisual, broadcast and congress systems	23
I. Fire and life safety	23
J. Business continuity	24
K. Project schedule	24
VI. Projected expenditures and anticipated costs	30
VII. Financing	33
A. Host country loan agreement	33
B. Detailed host country loan repayment plan	33
C. Contingency management	33
D. Scheme and currency of appropriation and assessment	36
E. Multi-year special account	37
F. Update on alternative funding opportunities	37
G. Valorization of United Nations-owned land in Geneva	37
VIII. Next steps	37
IX. Recommended actions to be taken by the General Assembly	38

Annexes

I.	Expenditures by funding source	39
II.	Detailed information on financing schemes	40
	A. Appropriation and assessment options	40
	B. Currency risk management	42
	C. Negative interest rates	42
III.	Status of implementation of recommendations of the Board of Auditors	45
	A. Status of implementation of recommendations of the Board of Auditors contained in its fourth report on the strategic heritage plan for the year ended 31 December 2021	45
	B. Status of implementation of recommendations of the Board of Auditors related to the strategic heritage plan contained in its report on the financial statements of the United Nations for the year ended 31 December 2022	45
	C. Status of implementation of recommendations of the Board of Auditors contained in its fifth report on the strategic heritage plan for the year ended 31 December 2023	46
IV.	Strategic heritage plan project status charts	47
V.	Other issues related to the strategic heritage plan	50
	A. Security considerations	50
	B. Works of art, masterpieces and other gifts	50
	C. Non-strategic heritage plan projects	51
	D. Post-strategic heritage plan maintenance considerations	51
VI.	Options for de-scoping the approved strategic heritage plan project	53

I. Introduction

1. The present report is the eleventh annual progress report on the strategic heritage plan project of the United Nations Office at Geneva, which was approved by the General Assembly in resolution 70/248, section X. The report is submitted pursuant to section XIX of General Assembly resolution 78/253.

2. The present report contains a summary of the planning and construction-related actions taken since the compilation of the previous progress report (A/78/503) and covers the period from 1 September 2023 to 31 August 2024. The financial information contained herein is based on the available data as of 31 July 2024.

3. As previously reported, construction work on the new permanent building H was substantially completed in October 2021, which also marked the beginning of the two-year defects liability period. The building is in use while minor defects are being corrected. The resolution of the punch list is ongoing, with most of the items complete. The United Nations Office at Geneva has put in place additional resources dedicated to the finalization of outstanding minor issues in building H.

4. Renovation work in the historic Palais des Nations buildings continues to progress, albeit at a slower pace than planned. Substantial completion of the first section of the renovation work was achieved on 12 May 2023, with the conference rooms coming back into operation in the same month. Substantial completion of building D was achieved on 24 August 2023. Section S1 was tested, commissioned and substantially completed by the end of summer 2024. There are plans for building A to be completed by the end of 2024 and operationally ready in the first half of 2025. Building E is scheduled to be closed for works from the middle of 2025, once section AB is completed and its conference rooms become operational.

5. Despite these achievements, the renovation works on the historic buildings continue to experience delays, which in turn have delayed works in building E. Since the previous progress report, the contractor has frequently revised the estimated work schedule and forecast completion dates have slipped. In order to try to ensure a more reliable construction programme, the project team, using the lean project management methodology, has prepared for adoption a collaborative master target programme. The most recent projections indicate that the works will finish by the end of 2027. The delays are the result of multiple factors, including the effects of the coronavirus disease (COVID-19) pandemic, significant construction market inflation, supply chain disruptions, local labour shortages, particularly in the electrical trades, and necessary variations to the works which are subject to lengthy change management processes.

6. The project team has been using lean project management to improve the project's overall processes and management, resulting in more predictability in time and quality and ultimately cost mitigation. The first lean implementation sessions began in June 2023 and project management activities have continued throughout the reporting period. The lean approach allows for faster problem identification and resolution, leading to increased productivity and predictability and fewer blockages. The Secretary-General appreciates the continued support of Member States and continues to actively minimize cost overruns. Despite these efforts and active cost management, the project is expected to be 14 per cent over budget at the "P80" level (see paras. 20 and 21 below). While previous progress reports have indicated projected overruns, at the current stage in the project, the projection is more certain. The Secretariat strongly believes that the best course of action is to continue with the full scope of the project with the implementation of value engineering measures on building E. However, in accordance with the recommendations of the Advisory Committee on Administrative and Budgetary Questions, as endorsed by the General

Assembly in its resolution [78/253](#), the Secretariat has prepared possible scope reductions in the present report for the General Assembly to consider. The options are contained in annex VI to the present report.

II. Project objectives and benefits

A. Objectives

7. The Secretary-General, in his report to the General Assembly ([A/68/372](#), para. 15), outlined the key objectives for the strategic heritage plan at the outset of the project. The objectives remain unchanged.

B. Benefits

8. Based on the key project objectives, the Project Director has established the expected benefits and baseline information, the methods for monitoring and reporting on progress for the realization of benefits. The expected benefits remain unchanged from the ninth progress report of the Secretary-General ([A/77/492](#)).

III. Project governance, management and accountability

A. Advisory Board

9. The Advisory Board held two meetings during the reporting period, in October 2023 and June 2024. New members were fully briefed on the project and several tours of the new building and the renovation worksite were provided to the members. Among the key issues considered by the Board during the period were business continuity, strategies for communications to stakeholders, project progress and updates on the budget.

B. Steering Committee

10. The Steering Committee held four meetings during the reporting period, in February, April, May and June 2024. The Committee continues to monitor project progress against the established timelines and budget and is reinforcing the requirement for close management of project scope and financial controls. Key issues considered by the Committee during the reporting period include the schedule for the renovation of the historic Palais buildings, contractor claims, cost overruns, de-scoping options, business continuity and the management of cost pressures and project risks.

C. Project assurance

1. Independent and integrated risk management

11. Risk management services continue to be provided in accordance with the project requirements under two separate functions: independent quarterly risk management reporting, which is provided to the project executive independent of the project team; and monthly risk management reviews.

2. Board of Auditors

12. Since the previous reporting period, the Board of Auditors has carried out two further visits, from 4 to 15 December 2023 and from 11 to 22 March 2024. The most recent observations and recommendations of the Board of Auditors on the strategic heritage plan, including those resulting from the visits made during the reporting period, are contained in its recent report to the General Assembly ([A/79/166](#)).

13. Out of the 14 recommendations on the strategic heritage plan identified as outstanding in the Board's previous report ([A/78/5 \(Vol. I\)](#)), 7 (50 per cent) have been implemented, 4 (29 per cent) are still under implementation and 3 (21 per cent) are considered to have been overtaken by events. A list of the recommendations under implementation is included in annex III to the present report.

D. Project management

14. Management of the strategic heritage plan remains in place, as described in the eighth annual progress report ([A/76/350](#), para. 13).

15. The project team remained relatively stable throughout the reporting period with all positions encumbered. As most of the positions on the project team are encumbered by staff on temporary or fixed-term appointments, there is a high risk of key staff departing before the end of the project. This risk will increase as the work nears completion. Flexibility in the assignment of tasks and the ability to reassign existing team members to other positions within the project and potentially within the United Nations Office at Geneva are key mitigating factors for this risk.

16. The second Procurement Officer (P-4) position will continue to be necessary until the end of 2025. One operational expert in facilities management will be reassigned from Architect to Engineer in view of the operational needs at the current stage of the project.

17. In order to continue to mitigate programme delays and continue to provide design quality assurance for building E, it is necessary to extend the short-term temporary position of Architect (P-4), as approved in General Assembly resolution [76/264 A](#), section XVIII, paragraph 24, until the end of 2025. Table 1 below shows the incumbency from project approval to the end of 2025.

Table 1
Incumbency of project management positions since the approval of the project

<i>Positions</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025 planned</i>
Project management team											
Project Director (D-2)	Encumbered	Encumbered up to June	Encumbered from April	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Chief, Programme Management Support (D-1)	Encumbered from July	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Chief, Design and Construction (D-1)	Encumbered from September	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Senior Programme Management Officer (P-5), Renovation	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Senior Programme Management Officer (P-5), building E ^a	–	–	–	–	–	–	–	–	Encumbered from May	Encumbered	Encumbered
Senior Administrative Officer (P-5)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered up to October	Encumbered from November	Encumbered up to October	–	–	–
Project Officer (P-4)	Encumbered from June	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Project Manager (Engineering) (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Project Manager (Architect) (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Project Manager (Architect) (P-4) ^b	–	–	–	–	–	–	–	Encumbered from March	Encumbered	Encumbered	Encumbered
Contracts Management Officer (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Budget and Cost Management Officer (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered

<i>Positions</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025 planned</i>
Mechanical and Engineering Coordinator (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	–	–	–	–	–	–	–
Contracts Management Officer (P-3)	–	–	–	–	Encumbered from May	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Associate Expert (Finance and Administration) (Junior Professional Officer) (P-2) ^c	–	–	Encumbered from September	Encumbered	Encumbered	Encumbered up to November	–	–	Encumbered from August	Encumbered	Encumbered
Programme Assistant (General Service (Other level))	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Programme Assistant (General Service (Other level))	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Programme/ Communications Assistant (General Service (Other level))	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Operational experts team											
Senior Procurement Officer (P-5) located at United Nations Headquarters ^d	–	–	–	Encumbered	Encumbered	–	–	–	–	–	–
Procurement Officer (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Procurement Officer (P-4) ^e	–	–	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered up to December
Information Systems Officer (P-4)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Architect (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	–
Engineer (P-3) ^f	–	–	–	–	–	–	–	–	–	–	Encumbered

<i>Positions</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025 planned</i>
Engineer (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered
Security Officer (P-3)	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered	Encumbered

^a Reassignment of a position of Senior Administrative Officer (P-5) to a position of Senior Programme Management Officer (P-5) approved in resolution [78/253](#) and proposed for continuation until the end of renovation works.

^b Temporary position funded within the maximum overall cost approved for the project as approved by the General Assembly in its resolution [76/246](#).

^c Position sponsored by Germany under the Junior Professional Officers programme for 2.5 years and remaining period funded within the maximum overall cost approved for the project, as reported in [A/72/521](#), para. 119, [A/73/395](#), para. 114, [A/74/452](#), para. 102, and [A/75/355](#), para. 85.

^d Temporary position funded within the maximum overall cost approved by the General Assembly in its resolution [72/262](#).

^e Temporary position funded within the maximum overall cost approved by the General Assembly in its resolution [71/272](#) and proposed for continuation until the end of 2025.

^f The operational expert in facilities management is proposed to be reassigned from Architect to Engineer in view of the operational needs at the current stage of the project.

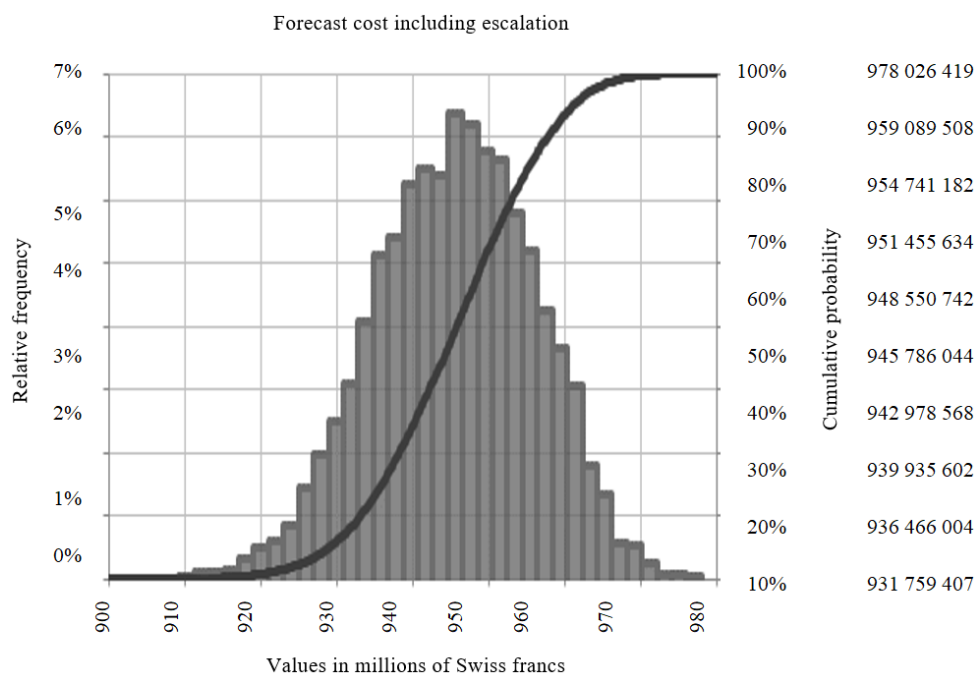
IV. Risk management

18. Risk management continues to be mainstreamed into the overall management of the project, with integrated risk management working effectively. In addition to its work with the project team, the independent risk management firm continued to report independently and directly to the project owner. To date, more than 657 risks on the project risk register have been identified and managed and 157 remain open; on average, 5 risks were either added to or retired from the risk register every month during the period from August 2023 to July 2024.

19. The independent risk management firm prepares Monte Carlo simulations for the project on a quarterly basis. The outcome of the most recent simulation as of July 2024 is shown in figure I. Figure II shows the main risks ranked by impact to the variability of the output of the risk model (forecast cost).

Figure I

Cost histogram of the strategic heritage plan project risks, July 2024



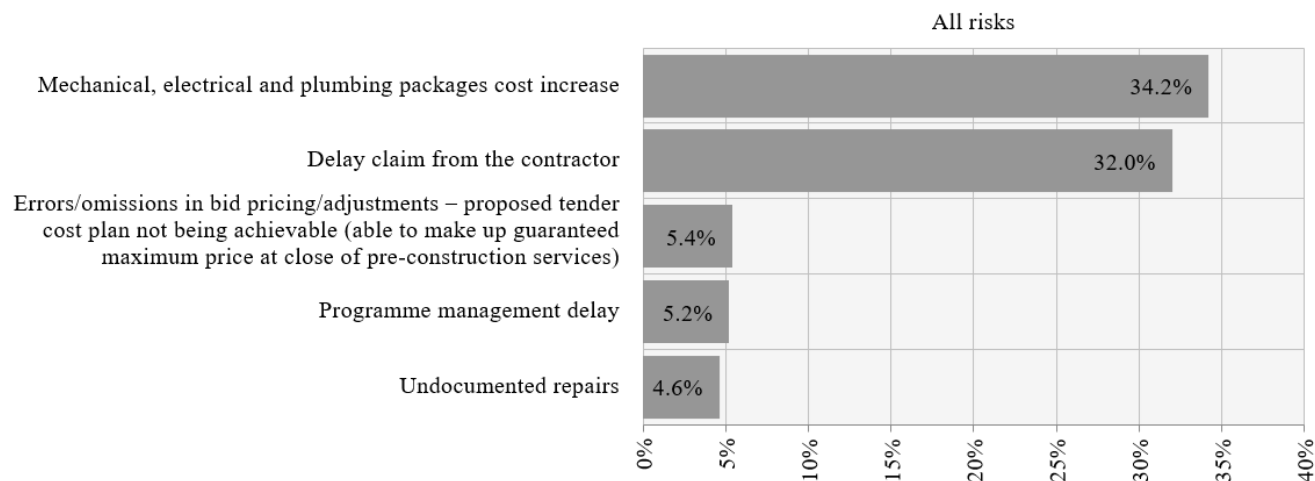
20. Figure I depicts both the relative frequency of forecast cost and the cumulative probability of the output of the risk model, together with the forecast cost at each confidence level. United Nations construction projects are assigned an established “P80” benchmark target for measuring risk on a given project, which means that the project team would ideally strive to have an 80 per cent confidence level that the project will be completed within budget. As of July 2024, there is a 0 per cent level of confidence in completing the project on or below the overall maximum cost of SwF 836.5 million approved by the General Assembly in its resolution [70/248](#).

21. Since the preparation of the previous report of the Secretary-General ([A/78/503](#)), the P80 cost forecast has increased by almost SwF 79 million, moving from 4.7 per cent to 14.1 per cent over budget. This additional increase has principally been driven by: (a) inflation-related increases in building E pre-tender cost estimates, specifically in the mechanical, electrical and plumbing packages and information technology equipment, as well as further design developments that will impact the

guaranteed maximum price; (b) delays in the completion of sections under renovation or scheduled for renovation have increased the duration of required strategic heritage plan programme management services and associated costs; and (c) following the least-risk approach for protecting the library archives and collections during the renovation of building B.

Figure II

Cost sensitivity (“tornado”) chart showing the five risks with the greatest impact on project costs, July 2024



22. A comparison of the top five project risks with respect to the two most recent progress reports is shown in table 2. These top risks reflect the progress in the renovation and with the building E pre-construction services phase in the reporting period, together with completion and handover of two sections of the historic Palais.

Table 2
Evolution of top five project risks, 2022–2024

<i>Previous top five risks (A/77/492, para. 22)</i>	<i>Previous top five risks (A/78/503, para. 25)</i>	<i>Current top five risks</i>
(a) Increase in cost owing to agreement of the guaranteed maximum price of building E following the pre-construction services period	(a) Slower-than-expected completion of the renovated historic building sections delays the closure and start of building E works	(a) Slower-than-expected completion of the renovated historic building sections delays the closure and start of building E works
(b) Delays and additional cost due to post-pandemic and conflict-induced supply chain shortages	(b) Delays in agreeing and implementing variations	(b) Delays to building E guaranteed maximum price agreement
(c) Delays in agreeing variations to the point at which the contractor is obliged to comply with the instruction to vary the works	(c) Unforeseen additional work and undocumented repairs beyond what is foreseen in the building E contract	(c) Unforeseen additional work and undocumented repairs beyond what is foreseen in the building E contract
(d) Design errors and omissions in bid price for building E and other contracted work	(d) Design errors, omissions and further works discovered during renovation works in the historic buildings	(d) Design errors, omissions and further works discovered during renovation works in the historic buildings

Previous top five risks (A/77/492, para. 22)
Previous top five risks (A/78/503, para. 25)
Current top five risks

(e) Delay to building E owing to discovery of changes or repairs to existing structures and/or mechanical and electrical services

(e) Escalation/inflation costs exceed the allowance included for the building E stage 1 contract

(e) Delays in agreeing and implementing variations

Description of the top five project risks

23. The top five risks identified in table 2 are explained in more detail below:

(a) **Slower-than-expected completion of the renovated historic building sections delays the closure and start of building E works.** The schedule phasing, which requires business continuity of conferencing, relies on completion of several sections of the historic Palais to allow building E to be closed for the commencement of construction activities. While two sections of the renovated Palais were delivered in 2023, there have been delays in the remaining sections to be completed. This puts pressure on building E, which remains on the critical path. Entity moves and future conferences also require facilities to be available and detailed plans to be established and communicated to stakeholders well in advance, further complicating project planning. The ongoing liquidity constraints (see para. 37 below) and space optimization (see para. 36 below) have decreased the available “swing space”, increasing reliance on completion of those sections yet to be returned from renovation to allow building E to close for renovation. To mitigate this risk, the project team has progressed the lean collaborative planning initiative over the year, which has had a beneficial impact on those sections under active renovation, while optimization of the variations process has facilitated quicker processing of changes prior to resolution;

(b) **Delays to building E guaranteed maximum price agreement.** This new entry reflects the risk that the guaranteed maximum price proposal submitted by the contractor for building E will take the overall value of the project beyond its approved overall maximum cost. Therefore, there is a risk that if there are delays in agreeing to the guaranteed maximum price, there will be further additional costs. Due to the timing of the General Assembly approval cycle, it is requested that the Assembly take action to mitigate this risk. Depending on the timing of the guaranteed maximum price submission from the contractor, this could result in a delay of up to 12 months before the guaranteed maximum price is approved and construction works on building E are able to start. Given that building E is on the critical path for completion of project, any delay to guaranteed maximum price approval and progression of these works would delay the overall completion of the project. A decision would also be required on whether to retain the programme management team during any effective “standstill” period for building E. Headcount reduction carries a significant risk of loss of knowledge and expertise, as many of the experts are sourced from specialist contractors and there would be no guarantee that they would still be available once the project is fully restarted. The United Nations Office at Geneva is currently assessing mitigation actions that could be implemented, but this remains a complex scenario which requires deeper analysis of the available options and impacts;

(c) **Unforeseen additional work and undocumented repairs beyond what is foreseen in the building E contract.** This risk relates to the discovery of changes or repairs to the existing structures and/or mechanical and electrical services of building E during the renovation works period. This risk is a consequence of the age, condition and type of construction used for building E. To mitigate this risk, 3D laser surveys and further visual and intrusive surveys are being conducted throughout the building during the pre-construction services and technical design completion phase. The project management team, supported by the independent risk management firm,

is carefully monitoring the situation and reviewing the design documents to identify potential issues that may arise and address them early, during the technical design period. This remains a top risk because the pre-construction services phase has yet to be completed. This risk is expected to reduce over the next year as the programme enters the renovation phase;

(d) **Design errors, omissions and further works discovered during renovation works in the historic buildings.** This risk is present in the remaining renovation of the historic Palais buildings and building E. The risk is largely undiminished due to programme prolongation. The complexity of the renovation work required within the existing building and the level of services integration may result in construction changes which in turn may lead to cost increases and delays. The nature, condition and age of the buildings means this risk is largely unavoidable. To mitigate this risk, the project team and the contractor continue to follow an early warning process to identify errors and omissions and identify any further works required at an early stage. The team uses established processes for evaluation of changes and instructions, including for assessing the impact on schedule and budget. The dedicated project management team, supported by the independent risk management firm, continues to carefully monitor the situation. In addition, established processes have been challenged through the lean initiative, leading to process optimization that is helping to protect the programme;

(e) **Delays in agreeing and implementing variations.** Variations arise owing to stakeholder changes, design errors and omissions and discovery of additional works post-contract, typically relating to unexpected building conditions. While the variation process is complex and time-consuming, the expedited process and additional process improvements have enabled variations to be concluded faster. To mitigate the risk, management of variations has become more integral to the collaborative plans established for section S1 and building A, enabling them to be implemented when they cause least disruption to the schedule. Despite the overall number of variations raised, they have all now been defined for these two sections under active renovation and none are expected to delay substantial completion. All variations are necessary and will be implemented, including those needed to meet building code compliance or safety standards.

24. Since the third annual progress report of the Secretary-General ([A/71/403](#) and [A/71/403/Corr.1](#)), the approach taken to calculate the contingency provision has remained consistent.

V. Progress made on the project during the reporting period

A. Status of activities

25. During the reporting period, progress was made towards furthering key project milestones for design, contracting and construction activities, including:

(a) The final close-out activities for the new permanent building H continued throughout the reporting period. The project team, in collaboration with the facilities management team, continued working closely with the contractor to identify warranty-related defects, manage the process of resolving the remaining punch items and finalize the handover of outstanding technical systems;

(b) Progress continued, with staff occupying building D. The works in buildings A and C and sections AB and S1, although delayed, continue to progress towards the final stages of works and testing. Building A and section S1 are expected

to be completed and handed over in 2024 and section AB and building C during 2025. Following the completion of section S1, additional sections will be renovated;

(c) Regarding building B, as part of moving from the original concept stage plan developed in 2013/2014 to implementation, the United Nations Office at Geneva contracted a libraries and archives expert to assess the risks to the collection. The expert studied the environmental conditions and protection needed for the works. The expert concluded that, to ensure the least risk to the collection, the project would need to include removing the entire collection from the library stacks while the works are ongoing, instead of leaving the collection in situ with minor removals and adaptations, as had originally been anticipated. This difference to the original plan has increased the pressure on the contingency provision, potentially as high as SwF 14 million if mitigation measures cannot be found. The Board of Auditors also raised the issue of the protection of the collection as an audit recommendation in its recent report on the strategic heritage plan ([A/79/166](#));

(d) The conference rooms in building A and section AB continue to be at the installation stage, prior to their final testing and commissioning. These buildings, together with the temporary conference building, will support any future business continuity demands arising from the need for conference participants to connect to and participate in multilingual conferences remotely, using predominantly computer-based audiovisual devices and software, while building E is closed for renovation from 2025 onwards;

(e) Further to the signing of the contract for the 1970s building E (contract 3) in January 2023, pre-construction services, including the technical design completion, are ongoing and continue with the submission of procurement documents. Currently about 42 work packages are envisaged to form the entirety of the works. The Lakeside Façade – one of the most critical and important work packages owing to its heritage component – has been agreed. The pre-construction services are expected to conclude by the third quarter of 2025, resulting in a guaranteed maximum price agreement;

(f) Owing to the combined effects of the COVID-19 pandemic, the overall global economic situation, the local market conditions and the prolongation of the schedule, the renovation contractor has submitted a significant claim. The claim has been made under the terms of the renovation contract, to recover costs incurred. These costs are largely the responsibility of the contractor, as these risks were included within the guaranteed maximum price. Nonetheless, the prolongation of the programme and additional works related to variations and design issues particularly related to complex historic renovation works also had an impact;

(g) The strategic heritage plan is not alone in facing these challenges. The construction sector is struggling to recover due to significant market inflation and resource disruptions that emerged immediately after the COVID-19 pandemic. According to a report by a leading global consultancy in risk mitigation and dispute resolution,¹ because the cost of capital has risen significantly and its supply is more constrained in most markets, many construction projects around the world are running over time and budget, often resulting in contractual disputes globally in 2023. In Geneva specifically, since 2020 the rate of inflation in the construction market has increased rapidly by, on average, 16 per cent and considerably in excess of the allowances made from the 2015 projections based on historic data at that time.

26. The project team continues to diligently control project costs, despite the unprecedented global economic context of rapid high inflation in construction costs, supply chain shortages and the effects of the global COVID-19 pandemic. As previously reported, the final costs for building H are within the original budget

¹ HKA, “Sixth Annual CRUX Insight Report” (2023).

envelope. The contracts for building E and the renovation were signed below the estimated budget levels. However, the additional costs for the strategic heritage plan project management and design team arising from the further schedule extensions, change requests, the currently unknown guaranteed maximum price cost that will be established during the pre-construction services for building E, and the extended renovation works schedule mean that the project is unlikely to achieve the full approved baseline scope within the budget that was approved in 2015. This is due to several factors: global inflation that has increased rapidly to unprecedented levels, the after-effects of the COVID-19 pandemic, discoveries in several buildings that required additional work, and significant local market disruptions over the past three years. In addition, the length of the project has increased well beyond the original forecasted end date in 2023, resulting in increased programme support costs. The guaranteed maximum price for building E is likely to be fully known only by the third quarter of 2025 and at that time, there will be a clearer view of the projected overspend. At the current stage, the cost overruns remain a projection. The Secretary-General believes that the best value for money for Member States and the interest of the United Nations is to continue with the project's full scope, thereby realizing all the original benefits and avoiding higher future costs to finish the work at a later date after the strategic heritage plan project is completed.

27. The new Press Room in the renovated section AC is shown in the photograph in figure III. Figures IV, V, and VI contain photographs of the renovation ongoing in the Palais. Together, they visually demonstrate the progress achieved in the renovation work during the reporting period.

Figure III

A press conference taking place in the new Press Room in section AC



Figure IV
Interior of room XVI under renovation in building A, April 2024



Figure V
Meeting in progress in the renovated room VIII in section AC



Figure VI
Interior showing newly created fire and smoke compartmentalization in the renovation of heritage building S, April 2024

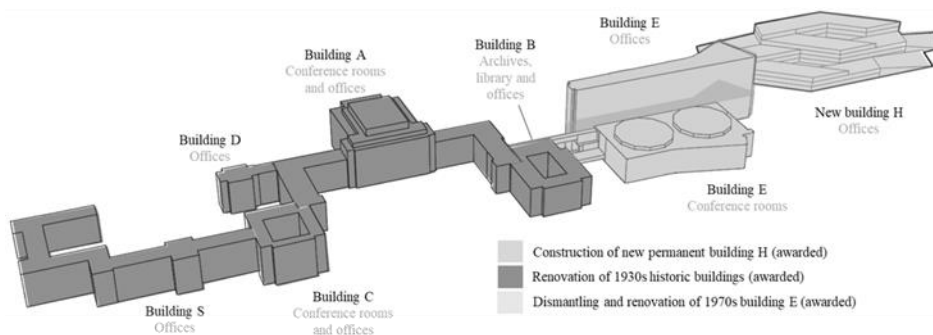


B. Procurement and contracting activities

28. A schematic overview of the Palais des Nations building complex and the major phases of the contracting strategy with an updated timeline are shown in figure VII.

29. During the reporting period, no major contracts were signed. All contracts have now been awarded for the project, with the last major commitment being the guaranteed maximum price for building E, which is expected to be signed by the third quarter of 2025.

Figure VII
Schematic overview of the Palais des Nations building complex contracting strategy



C. Lessons learned

30. The strategic heritage plan team continues to leverage opportunities to benefit from lessons learned in contract management, procurement and stakeholder engagement, among others. The team holds regular coordination meetings with the Global Asset Management Policy Service in New York and regularly shares lessons learned and best practices with the Gigiri master plan project on conference facilities in Nairobi.

31. In December 2023, project staff from the Gigiri master plan project visited the renovation works in Geneva to learn more about heritage restoration and design elements implemented under the strategic heritage plan in the Palais des Nations.

32. In addition, the team developed a lessons learned log to capture lessons learned from the project. The log was incorporated into the strategic heritage plan monthly report shared with stakeholders. Over the reporting period, the team also completed a lessons learned study on the handover of the first section of the renovated Palais, section AC, the results of which have been incorporated into the project.

D. Flexible workplace strategies and space efficiency

33. The Secretariat continues to implement flexible workplace strategies in the new permanent building, as mandated by the General Assembly. In the historic Palais buildings, the office environment will continue to be housed largely within the existing historic layout, composed mostly of separate offices, with the addition of a limited number of purpose-built hybrid offices.

34. During the reporting period, building H has continued to be occupied by staff, with a satisfactory use of open space and support spaces, such as meeting rooms, focus booths and alternative work areas. Currently, building H provides workspace for 1,253 occupants, 601 final users and 652 temporary users. The final users who are occupying the building are as follows: Office for the Coordination of Humanitarian Affairs and the majority of the Division of Administration. Temporary users are as follows: Office of the Director-General, Office for Disarmament Affairs, United Nations Institute for Disarmament Research, United Nations System Chief Executives Board for Coordination, Economic Commission for Europe, United Nations Joint Staff Pension Fund, Food and Agriculture Organization of the United Nations, Global Executive Leadership Initiative, Security and Safety Service, Mine Action Service, Global Alliance of National Human Rights Institutions, Office of the Envoy of the Secretary-General on Technology, United Nations Capital Development Fund and the strategic heritage plan team. As renovated offices in the Palais become available, some of these temporary users will move and will be replaced with staff from the Office of the United Nations High Commissioner for Human Rights, as permanent users, as well as some new temporary users.

35. The first sections of work complete – section AC and building D – have been furnished with existing furniture for enclosed offices and new furniture for the newly formed hybrid workspaces and meeting rooms. Section AC is currently occupied by temporary users and one final user, the International Atomic Energy Agency. Final users for building D, including the Languages Service of the Division of Conference Management and elements of the Central Support Services of the Division of Administration, moved in during the reporting period. The strategic heritage plan team continues to carefully renovate heritage furniture in the Palais to be used in the conference rooms and in the heritage offices.

36. During the reporting period and in response to a recommendation from the Board of Auditors, the United Nations Office at Geneva released a revised policy on space allocation that includes a ratio of 6.4 desks for every 10 persons. This revised ratio is based on the analysis from the space optimization study that was finalized at the end of 2023. To increase the occupancy rate, the United Nations Office at Geneva undertook a review of the occupancy data of existing long-term occupants of building H, those who will occupy space in the newly renovated Palais, the swing spaces for entities that will take up temporary accommodation and the accommodation plan for staff of the Office of the United Nations High Commissioner for Human Rights moving from Motta. The United Nations Office at Geneva will monitor the impact on working conditions to identify possible improvements, as well as the continuing validity of the ratio, which will be reviewed at the end of the project.

37. Implementation of the new 6.4:10 desk ratio began earlier than anticipated owing to the organizational liquidity constraints. The tower of building E, building B, Annex Bocage and Villa Feuillantines closed in May 2024 in order to reduce operating costs. Approximately 500 staff were temporarily relocated to work in building H.

Occupancy of the Palais des Nations campus after the completion of the strategic heritage plan

38. In the first annual progress report of the Secretary-General (A/68/372), the final capacity of the renovated Palais des Nations buildings was projected to be 3,507 occupants and workspaces. With the adoption of flexible workplace strategies predominantly in the new permanent building, the total number of workspaces was reduced to create space for the collaboration areas and support nodes that are needed for more effective flexible working conditions. The implementation of the revised desk ratio has resulted in an increase in the maximum capacity after renovation from the last projection of 3,648 occupants reported in the ninth and tenth progress reports to 4,003 occupants, as shown in table 3. The projections have not yet been made for the sections either still in renovation or where the renovations have yet to be undertaken. The final numbers will be determined once the strategic heritage plan project is completed.

Table 3
Projected number of workspaces and occupants

Location	Maximum capacity after renovation			
	Baseline projection (workspaces and occupants) ^a	Allocation		
		Workspaces reported in tenth annual progress report (A/78/503)	Occupants reported in tenth annual progress report (A/78/503)	Current projected staff allocation
Building A	232	221	221	270 ^b
Building B	158	168	168	168 ^b
Building C	277	218	218	218 ^b
Building D	182	224	224	305
Building S	833	797	797	1 121 ^b
Building E	412	268 ^b	268 ^b	268 ^b
New building H	1 413	1 346	1 550	1 787

Location	Maximum capacity after renovation			
	Allocation			
	Baseline projection (workspaces and occupants) ^a	Workspaces reported in tenth annual progress report (A/78/503)	Occupants reported in tenth annual progress report (A/78/503)	Current projected staff allocation
Touchdown workspaces for conference participants	–	172	172	172
Theoretical desk-sharing capacity in historic buildings (baseline) ^c	–	–	30	–
Total	3 507	3 414	3 648	4 003

^a Baseline figures as provided in the first annual progress report of the Secretary-General (A/68/372).

^b Figures for buildings A, B, C, E and S are indicative only, as the full technical design and/or renovation works have yet to be completed. Detailed occupancy continues to be assessed in coordination with the needs of the clients.

^c The current projection is based on the 6.4:10 ratio introduced throughout the Palais in accordance with the revised policy on space allocation. It had been estimated that a desk-sharing ratio of 10 desks to 11 people could be implemented in some of the newly created hybrid spaces, leading to a modest increase in occupancy of about 30 people. This is no longer relevant due to the revised space optimization.

39. The numbers in table 3 are approximate at the present time, as the number and size of individual entities based in the Palais des Nations will fluctuate over the forthcoming years and cannot be determined definitively. Sufficient capacity is being retained during the renovation work to cover the phased closure of individual buildings. Nonetheless, it is projected that the maximum overall allocated occupant capacity of the United Nations Office at Geneva, once the strategic heritage plan project is completed, will exceed that originally forecast of 3,507 occupants owing to the ongoing space optimization in the new permanent building and in the renovated buildings.

40. The Board of Auditors, in its most recent management letter on the strategic heritage plan, recommended that the project report on the occupancy rate on an annual basis. Daily data for the number of staff members coming into the Palais des Nations, excluding periods of traditional low attendance such as holidays, show that average attendance throughout the week is approximately 46 per cent, with peaks of approximately 54 per cent. It should be noted that these are average figures and that they do not include non-staff attendees, such as interns and contractors.

E. Attracting additional United Nations entities to the Palais des Nations

41. As previously reported, the following entities have expressed interest in being accommodated within the Palais campus: United Nations Development Programme, United Nations Environment Programme, United Nations International Computing Centre, United Nations Office for Project Services, United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the Antenna Office of the Office of the Special Representative of the Secretary-General for Violence against Children in Geneva, the Geneva Liaison Office of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and World Food Programme. During the reporting period, the following entities requested space allocation in the Palais des Nations: World Tourism Organization, Universal Postal Union, United Nations International Computing Centre, Office of the Envoy of the Secretary-General on Technology, Independent Institution on Missing Persons in the Syrian Arab Republic, European Office of the United Nations Office for Project Services, Joint United Nations Programme on HIV/AIDS and Executive Office of the Secretary-General's Innovation Lab. Owing to the very limited space available (approximately 3,400

workstations), only the Office of the Envoy of the Secretary-General on Technology, the Independent Institution on Missing Persons in the Syrian Arab Republic and the Executive Office of the Secretary-General's Innovation Lab could be accommodated. Entities relocating to the Palais are required to apply the established flexible workplace strategies and space optimization ratio.

F. Update on measures to eliminate physical, communications and technical barriers to persons with disabilities

42. The building E contractor has started working on the designs for the renovation of the building, which will include accessibility features following the same strategy as for the renovation. In October 2023, the project team organized a tour of the renovated building D for members of the Disability Inclusion Team of the United Nations Office at Geneva to visit and test the main circulation pathways, office spaces and other accessible facilities. The group was positive about the changes implemented and suggested introducing sound emission for entrance doors, badge reader relocation and braille on the main staircase handrails to improve the accessibility of the building. The project team implemented some of the suggestions in building D and is evaluating all the suggestions for the sections to be renovated in the future. It will continue to seek the advice and feedback of the Team on matters pertaining to accessibility.

G. Sustainability and reduction of energy consumption

43. One of the objectives of the strategic heritage plan is to lower the energy consumption of the Palais des Nations by at least 25 per cent, compared with the 2010 baseline, as stated in the report of the Secretary-General in 2011 (A/66/279, para. 11 (c) (iv)). However, to reflect the date of approval of the scope of the strategic heritage plan by the General Assembly in December 2014 (resolution 69/262, sect. III), the project worked with the Board of Auditors to create an updated calculation in accordance with the recommendation of the Board in its report A/73/175.

44. The revised baseline objective for the reduction in energy consumption to be achieved under the strategic heritage plan is now 11.5 per cent compared with the 2015 revised baseline of 50,206,177 kWh, or 25 per cent compared with the 2010 baseline of 59,263,913 kWh, as shown in table 4 below. It should be noted that, while energy consumption is being reduced, approximately 600 additional workspaces have been added to the campus, which has increased energy needs. The reduction relates only to energy consumption, not the cost of utilities.

Table 4
Data on updated reductions in energy use

(Unit: kWh)

Total adjusted energy use, 2010	59 263 913
Target post-strategic heritage plan project (25 per cent reduction)	44 447 936
Decrease in energy use, 2010 to 2015 (Swiss donation) ^a	(9 057 796)
Total energy use less reduction already achieved (2015 baseline)	50 206 117
Energy reduction to be achieved upon conclusion of strategic heritage plan	5 758 182
Energy reduction as compared with 2015 (percentage)	11.5%

^a The Swiss donation consisted of works to improve energy efficiency prior to the strategic heritage plan project. The works included the replacement of windows and blinds in office spaces, the replacement of light fixtures and the automation of lighting control in common areas.

45. Although challenging, the strategic heritage plan team anticipates that this ambitious target can be achieved by delivering the renovation in accordance with the baseline design, mainly through the following initiatives:

(a) The environmental impact of the new permanent building is being closely monitored to guarantee a performance level equivalent to that of the internationally recognized Leadership in Energy and Environmental Design Gold certification standard. The new permanent building benefits from a two-year after-care service contract to optimize its energy consumption, as well as 152 photovoltaic panels. This 450 m² photovoltaic panel installation has an approximate production capacity of up to 50.2 kWp;

(b) The new permanent building and the existing buildings of the Palais des Nations, following completion of the design stage, have been granted a provisional certificate by Minergie, a Swiss environmental certification programme for low-energy-consumption buildings;

(c) The upgrading of the building E energy centre includes connecting to the Lake Geneva hydrothermal network, a 100 per cent renewable solution that uses the lake water to cool and heat buildings throughout the campus by means of heat pumps. The cooling of the buildings using water from the lake started in April 2024. The plan is for the energy centre to be fully operational by the end of 2025. The energy centre has been made possible through a subsidy from the canton of Geneva, which will offset the cost of the works.

H. Information and communications technology, audiovisual, broadcast and congress systems

46. Coordination efforts remain as reported in the previous report. The design of the broadcast systems continued to be updated, in collaboration with the renovation contractor, to implement a renovated United Nations Television and Video studio that will support an increased demand for webcasts, also in the framework of guaranteeing business continuity to webcast and broadcast operations throughout the project. The building E technical design is being updated to take into account the latest United Nations global standards.

I. Fire and life safety

47. The existing historic buildings, including the 1970s building E, are being renovated to improve fire and life safety measures to protect occupants, in compliance with the host country fire regulations and building codes, while accounting for the architectural heritage aspects of the Palais des Nations. The host country authorities have confirmed their agreement with the design measures being proposed for the renovation work. The United Nations Office at Geneva has engaged an independent certified fire safety professional, approved by the host country fire authorities, to ensure that the actual on-site implementation of the work complies fully with the terms and conditions of the permit. For the buildings that are open to delegates and visitors, namely building A and sections AB and AC, the host country's fire expert performed additional fire and life safety related inspections to ensure this compliance. The design of the building E renovation works is currently under development by the contractor as part of the pre-construction services in accordance with the fire and life safety strategy agreed with the host country authorities.

J. Business continuity

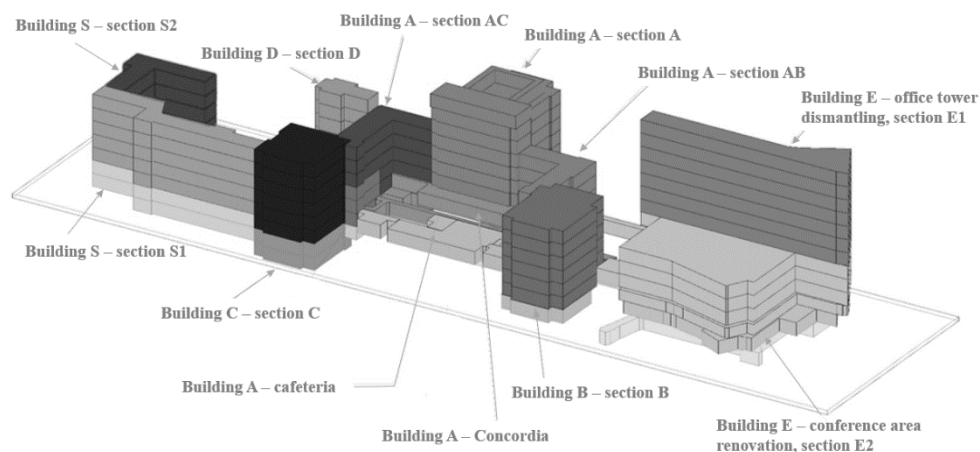
48. During the reporting period, stakeholder requirements and business continuity measures were successfully implemented. The detailed business continuity plan allows for back-up power, information technology and audiovisual connections whenever any renovation works take place in sensitive critical technical rooms throughout the Palais. Since the contract for building E was signed in January 2023, further business continuity needs are being assessed to ensure that all needs are properly captured.

49. During the reporting period, a dedicated business continuity strategy, including planning of operations, was agreed for the print shop area in reference to the building E renovation works. Additional tailored strategies dedicated to building E construction works will be discussed and implemented for the library and archives, United Nations Television and Video and other commercial and external entities. It is currently planned that the cafeteria will close for works from summer 2025 and business continuity plans are in place to ensure adequate catering services in the Palais throughout the closure. The project team facilitates dialogue with stakeholders to seamlessly integrate construction needs with the day-to-day activities of United Nations personnel.

50. The sections of works for the renovation of the existing buildings remain the same as in the previous report and are reproduced for ease of reference in figure VIII.

Figure VIII

Three-dimensional representation of sections of work for the renovation of the existing buildings



51. The temporary conference centre and the Assembly Hall, once completed, will provide the large meeting room conferencing capacity necessary to ensure that mandated meetings can continue to be held during the closure of building E for renovation. This will continue until the building E renovation is completed and all conference rooms are returned to full service at the end of the strategic heritage plan project.

K. Project schedule

52. The latest project schedule is illustrated in figure IX and indicates the key project milestones, as follows:

- (a) Final completion of building H minor outstanding works is scheduled for the end of 2024;
- (b) Substantial completion of historic section AC was achieved on 12 May 2023;
- (c) Substantial completion of historic building D was achieved on 24 August 2023;
- (d) Substantial completion of works on historic section S1 and building A is scheduled for the second half of 2024;
- (e) Substantial completion of works on historic section AB is scheduled for the first half of 2025, and on building C for the second half of 2025;
- (f) Commencement of works in building B is scheduled for the first half of 2025, subject to the completion of section AB, with completion expected during 2027;
- (g) Commencement of works on historic section S2, after the completion of building C, and on the cafeteria is scheduled for the second half of 2025, following the seventy-eighth World Health Assembly and the 113th session of the International Labour Conference, with completion of the cafeteria expected during 2026;
- (h) Commencement of the early action works for phase 2.2 of the renovation and dismantling of the 1970s building E office tower is scheduled from mid-2024 onwards, continuing into 2025;
- (i) The agreement of the guaranteed maximum price is scheduled for phase 2.2 in 2025;
- (j) Commencement of works on building E is scheduled for the second half of 2025 and its forecast completion is scheduled before the end of 2027;²
- (k) The defect liability period following the completion of works in late 2027, which includes the post-completion assessments and post-occupancy evaluations, release of retention, seasonal commissioning of building services and other quality and financial closeout activities reflecting the two-year warranty period associated with each of the main contracts.

53. As it stands and compared to the original baseline, the project schedule remains under considerable pressure. The reasons for this are understood and are being mitigated as far as possible. As a general trend in the refurbishment of historic buildings, renovation works contain inherent risks in terms of unseen elements of work that come to light only once an element is “opened”. Often this might contribute to the delay in the completion of individual sections. This was the case for building A, for example, in which the ceiling of the historic Pas Perdus area was found to have been originally constructed with an asbestos acoustic finish, necessitating the unplanned, large and complex replacement of the original ceilings, which took several months to complete.

54. In addition, given the size and duration of the strategic heritage plan project, design upgrades of the mechanical, electrical and audiovisual systems were also needed. This had an impact on the target completion dates of section S1 and building A, which is currently forecast for the end of 2024, and of section AB, which is currently forecast for the first half of 2025.

55. Further delay mitigations include the introduction of the lean project management approach, which introduced a collaborative management methodology. Under this approach, a collaborative working programme of 12-week increments and

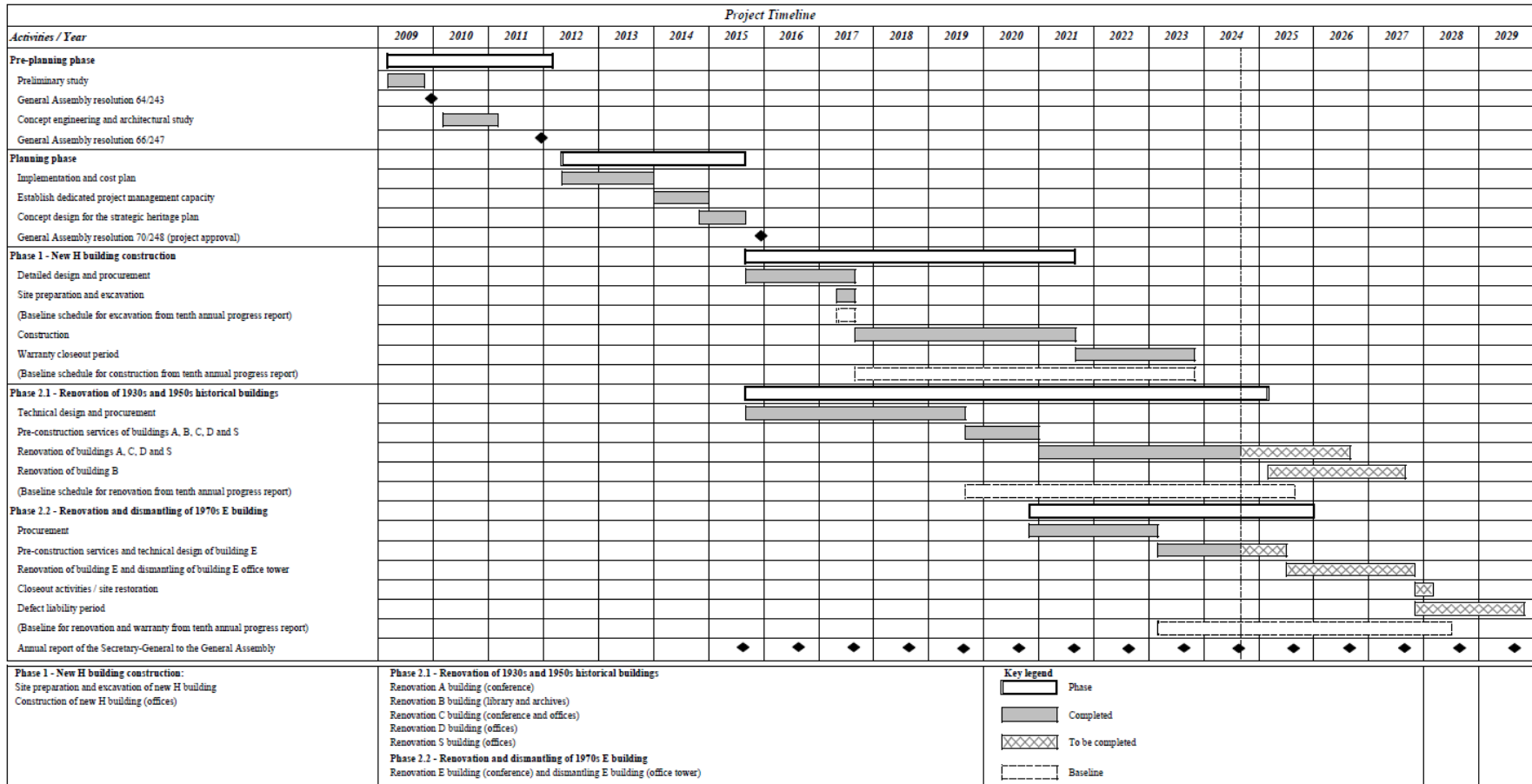
² The closure of building E for renovation is contingent on the completion and return to full service of the renovated conference rooms in building A and section AB.

a more detailed 2- to 4-week day-by-day planning programme for the works with the contractor and the supply chain is developed collectively for each building section. Over the reporting period, these collaborative working methods have resulted in improved programme predictability. In section S1 and building A, where this is already well under way, it has provided clarity and considerably slowed the programme slippage. For example, before the lean project management approach was introduced, the weekly percentage of planned completion was approximately 45 per cent. It reached 88 per cent in April 2024 and in subsequent weeks, regularly rose above that. The collaborative process has also resulted in reduced programme slippage and improved problem resolution and prioritization. Lean project management is currently being implemented in the other active sections, such as section AB and building C, and is in the process of being implemented in all remaining sections of the renovation, including for the delivery of building E. In addition, it has been adopted by different entities at the United Nations Office at Geneva involved in the transition project activities. In parallel, a collaborative master target programme is being developed, as a comprehensive reset of the baseline programme, and is expected to be finalized and implemented before the end of 2024.

56. The completion of the renovation of the historic buildings (phase 2.1) is now anticipated to be completed progressively in 2026, for buildings A, C, S and the cafeteria, and in 2027 for the final building B.

57. The dismantling of the building E office tower and renovation of the podium (phase 2.2) is now forecast to start in the second half of 2025, with anticipated completion at the end of 2027.

Figure IX
Project schedule



58. Table 5 sets out the dates of the main stages of the strategic heritage plan project and provides information on and explanations for the extensions and revisions to the schedule as compared with the details provided in the previous progress report.

Table 5
Milestone dates in the present report compared with those in the previous progress report

Phase/subphase	In current report		In previous report (A/78/503)		Change in end date	Reasons and comments
	Start	End	Start	End		
1. Pre-planning	March 2009	February 2012	March 2009	February 2012	No change	–
(i) Preliminary study	March 2009	October 2009	March 2009	October 2009	No change	–
(ii) Concept engineering and architectural study	March 2010	February 2011	March 2010	February 2011	No change	–
2. Planning	May 2012	August 2015	May 2012	August 2015	No change	–
(i) Implementation and cost plan	May 2012	December 2013	May 2012	December 2013	No change	–
(ii) Establish dedicated project management capacity	January 2014	December 2014	January 2014	December 2014	No change	–
(iii) Concept design for the strategic heritage plan	November 2014	August 2015	November 2014	August 2015	No change	–
3. Phase 1 – New building H construction	October 2015	September 2021	October 2015	September 2021	No change	–
(i) Detailed design and procurement	October 2015	August 2017	October 2015	August 2017	No change	–
(ii) Site preparation and excavation	April 2017	August 2017	April 2017	August 2017	No change	–
(iii) Construction	September 2017	October 2021	September 2017	October 2021	No change	–
(iv) Warranty closeout period	October 2021	December 2024	October 2021	October 2023	Extended by 14 months	As some items remain incomplete, retention has not yet been released.

Phase/subphase	In current report		In previous report (A/78/503)		Change in end date	Reasons and comments
	Start	End	Start	End		
4. Phase 2.1 – Renovation of 1930s and 1950s historic buildings	October 2015	August 2027	October 2015	August 2025	Extended by 24 months	Variations, resource constraints and phasing dependencies between sections continue to contribute to the extending project durations.
(i) Technical design and procurement	October 2015	November 2019	October 2015	November 2019	No change	–
(ii) Pre-construction services of buildings A, B, C, D and S	November 2019	December 2020	November 2019	December 2020	No change	–
(iii) Renovation of buildings A, C, D and S	January 2021	April 2027	January 2021	April 2025	Extended by 24 months	Schedule continues to be affected by necessary variations related to the building condition and designs. The contractor's internal resource and supply chain constraints, exacerbated by market conditions, are also limiting the ability to conduct concurrent work in different sections. This has knock-on effects for the sections of work yet to commence, such as section S2, building B and the cafeteria, as current works need to be completed and spaces made operational before other spaces can close.
(iv) Renovation of building B	March 2025	July 2027	January 2024	August 2025	Extended by 23 months	Dependent on the completion of sections S1 and AB and building C, which is driving the extended project duration for the historic buildings that overlap with building E renovation.

Phase/subphase	In current report		In previous report (A/78/503)		Change in end date	Reasons and comments
	Start	End	Start	End		
5. Phase 2.2 – Renovation and dismantling of 1970s E building	December 2020	October 2027	December 2020	June 2026	Extended by 16 months	
(i) Procurement	December 2020	January 2023	December 2020	January 2023	No change	–
(ii) Pre-construction services and technical design of building E	January 2023	July 2025	January 2023	March 2024	Extended by 16 months	Development of technical drawings and work package procurement by contractor taking longer than planned due to resource constraints.
(iii) Renovation of building E and dismantling of building E office tower	July 2025	October 2027	July 2024	June 2026	Extended by 16 months	This is a consequence of the above and of the finish-start dependencies between the completion of building A and sections AB and S1 prior to closure of building E to ensure business continuity of conferences.
(iv) Closeout activities/site restoration	November 2027	February 2028	July 2026	September 2026	Extended by 17 months	–
(v) Defect liability period	November 2027	December 2029	July 2026	June 2028	Extended by 18 months	–

VI. Projected expenditures and anticipated costs

59. Table 6 shows the latest revised cost plan, which reflects the current project progress and the forecast of remaining costs to achieve the approved project scope. The total project envelope is projected to exceed the cost approved by the General Assembly of SwF 836.5 million. The latest revised project cost is expected to exceed the budget by SwF 118.2 million.

60. Although there are still uncertainties regarding the amount of the guaranteed maximum price for building E, it is certain that it will result in a cost plan that exceeds the SwF 836.5 million total budget approved by the General Assembly.

61. As explained in the section on risk management, any delay in obtaining approval to enter the guaranteed maximum price agreement and advancing the works would result in a setback to the overall project timeline. That would substantially raise programme and construction management costs during any “standstill” period for building E, given that those costs would amount to approximately SwF 2.5 million

per month. Delays also expose the project to the risk of any potential escalation in construction prices that could also occur during such a period.

62. It is therefore essential for the General Assembly to authorize the Secretariat to conclude the guaranteed maximum price agreement for building E, acknowledging that with this contractual action, the approved strategic heritage plan budget will be exceeded.

63. The presentation of an updated cost plan based on the current risk management firm's P80 forecast cost offers the General Assembly the most accurate and up-to-date information available, enabling it to make an informed decision.

Table 6

Projected summary cost plan for the strategic heritage plan project, 2014–2028

(Thousands of Swiss francs)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Construction of new building	–	–	–	10 599	27 612	30 486	41 577	10 247	134	237	2	733	834	–	–	122 461
Renovation work	–	–	–	–	75	12 464	19 405	78 402	87 169	43 201	32 184	38 701	93 899	78 765	12 537	496 801
Dismantling seven floors of building E	–	–	–	–	–	–	–	–	–	1 278	106	1 477	8 861	–	–	11 722
Associated costs	–	–	–	316	1 005	262	3 295	5 681	2 746	162	950	1 888	2 239	2 175	457	21 177
Consultancy services	1 705	23 685	36 857	9 096	16 073	11 765	12 505	9 477	8 855	11 699	16 433	6 684	6 386	5 646	1 381	178 248
Project management	1 268	2 890	3 981	4 002	3 688	4 040	4 421	3 854	4 333	4 738	4 603	4 931	4 707	4 465	1 844	57 766
Escalation	–	–	–	–	–	–	–	–	–	–	–	84	164	223	113	585
Subtotal	2 973	26 575	40 838	24 013	48 453	59 017	81 203	107 661	103 237	61 315	54 278	54 498	117 090	91 274	16 333	888 760
Contingencies P80 level	–	–	–	–	–	–	–	–	–	–	696	14 297	26 722	21 521	2 647	65 883
Escalation on contingencies	–	–	–	–	–	–	–	–	–	–	–	15	30	44	10	99
Total	2 973	26 575	40 838	24 013	48 453	59 017	81 203	107 661	103 237	61 315	54 974	68 810	143 842	112 839	18 989	954 741

64. The updated cost estimate for the core costs of the project, namely the costs excluding contingencies, currently stands at SwF 888.8 million, which is SwF 80.8 million higher than forecast in the tenth annual progress report. This increase is due primarily to the increased costs of building E, including inflationary pressures, prolongation costs associated to the extension of the schedule and increased variations to the historic building works during the reporting period. In response to the report of the Advisory Committee on Administrative and Budgetary Questions (A/78/7/Add.18), the present report provides the contingency requirements established at a confidence level of 80 per cent, in accordance with the risk-based contingency method.

65. Actual cumulative project expenditure for the period from 2014 to 31 July 2024 amounts to SwF 597.7 million and projected expenditure for the remainder of 2024 is estimated at SwF 12.5 million, as shown in tables 7 and 8. Further breakdowns of costs by type for each funding source are presented in tables A.I.1, A.I.2 and A.I.3 in annex I to the present report.

Table 7
Approved total funding and projected expenditure for 2014–2024, by funding source

(Thousands of Swiss francs)

Funding source	(A)	(B)	(C)	(D=B+C)	(E)	(F=D/E)
	Funding 2014–2024	Expenditure as at 31 July 2024	Projected expenditure August– December 2024	Total projected expenditure 2014–2024	Approved budget in 2015 ^a	Budget completion rate (percentage)
Cumulative projected Member States funding	329 130.4	316 376.6	6 532.2	322 908.8	436 500.0	74.0
Cumulative projected Swiss loan funding	291 100.0	281 126.7	6 014.0	287 140.7	400 000.0	71.8
Cumulative other funding	210.5	210.5	–	210.5	–	–
Total	620 440.9	597 713.8	12 546.2	610 260.0	836 500.0	73.0

^a See General Assembly resolution 70/248 A.

Table 8
Approved total funding, projected expenditure and contingencies^a for 2014–2024, by cost category

(Thousands of Swiss francs)

Cost category	(A)	(B)	(C)	(D=B+C)	(E)	(F=D/E)
	Funding 2014–2024	Expenditure as at 31 July 2024	Projected expenditure August– December 2024	Total projected expenditure 2014–2024	Approved budget in 2015 ^b	Budget completion rate (percentage)
Construction and refurbishment	411 871.3	389 163.5	6 014.0	395 177.5	609 651.9	64.8
Design, consultancy and contracted external expertise	134 908.6	154 511.5	4 334.5	158 845.9	127 307.7	124.8
Associated costs	29 318.2	13 867.2	550.5	14 417.7	58 366.7	24.7
Project management team and operational expert team	43 608.2	39 734.0	1 627.0	41 361.1	40 373.9	102.4
Travel	734.6	437.6	20.2	457.8	799.8	57.2
Total	620 440.9	597 713.8	12 546.2	610 260.0	836 500.0	73.0

^a Contingencies are included in the relevant cost categories.

^b See General Assembly resolution 70/248 A.

66. Cumulative funding from assessments on Member States amounts to SwF 329.1 million and projected cumulative expenditure against that funding source until the end of 2024 is currently forecast at SwF 322.9 million, as indicated in table A.I.1 in annex I. That would yield an expected year-end balance from appropriation and assessment from Member States of approximately SwF 6.2 million at the end of 2024, to be carried forward to 2025. The actual year-end balance may vary depending on the progress of the works by the end of 2024 and any further use of contingency.

67. In his previous progress report, the Secretary-General indicated that the cumulative approved funding expected to be drawn from the Swiss loan by the end of 2024 would amount to SwF 315.6 million. Owing to the updated programme schedule, the cumulative approved funding expected to be drawn from the Swiss loan by the end of 2024 is revised downward to SwF 291.1 million. The expected cumulative forecast expenditure at the end of 2024 against the Swiss loan amount has now been revised to SwF 287.1 million, as indicated in table A.I.2 in annex I. That would yield an expected year-end balance from the Swiss loan of approximately SwF 4 million at the end of 2024, to be carried forward to 2025.

68. Cumulative expenditure against other funding sources relates to the funding from voluntary donations received from Andorra, China, Monaco and Montenegro, as indicated in table A.I.3 in annex I. Projected cumulative expenditure of SwF 0.2 million at the end of 2024 relates to design and renovation activities funded by those donations.

VII. Financing

A. Host country loan agreement

69. As reported in [A/78/503](#), the full amount of SwF 125.1 million from the host country's interest-free loan has been fully expended for the new building H. The project continues to draw down the loan for the renovation works.

B. Detailed host country loan repayment plan

70. As the new permanent building, building H, has now been occupied since May 2021, the 50-year loan repayment for this loan portion began in December 2021. The repayment of the renovation portion of the loans is estimated to start at the end of December 2028, in the year of the planned occupation of building E.

71. In its resolutions [74/263](#), [75/253](#) and [77/263](#), the General Assembly decided that the annual repayments of the loan to the host country would be funded under the regular budget until decided otherwise. In that context, loan repayments have been included in the proposed programme budget for 2021, 2022, 2023, 2024 and 2025 under section 33, construction, alteration, improvement and major maintenance.

C. Contingency management

1. Methodology

72. As described in previous progress reports, contingency management for the project continues to be based on the risk-based contingency forecasts provided by the independent risk management firm.

73. The model used in the project recalculates the required contingency each quarter using the Monte Carlo simulation method and specialized software, based on an extensive list of risks, together with a range of cost possibilities and a probability of occurrence. The chosen industry benchmark level for the project is to allow for a contingency allocation sufficient to cover all the possible risk and uncertainty combinations at a confidence level of 80 per cent.

2. Analysis

74. Figure X indicates that contingency budgets of SwF 57.0 million and SwF 66.0 million would be needed to meet the confidence level targets at 50 per cent and 80 per cent, respectively. The project has used the contingency at the P80 level for the revised cost plan as contained in the current report. Figure XI shows the evolution of the probabilistic contingency throughout, from the beginning of the project to date.

Figure X
Trend of available and probabilistic contingency

(Millions of Swiss francs)

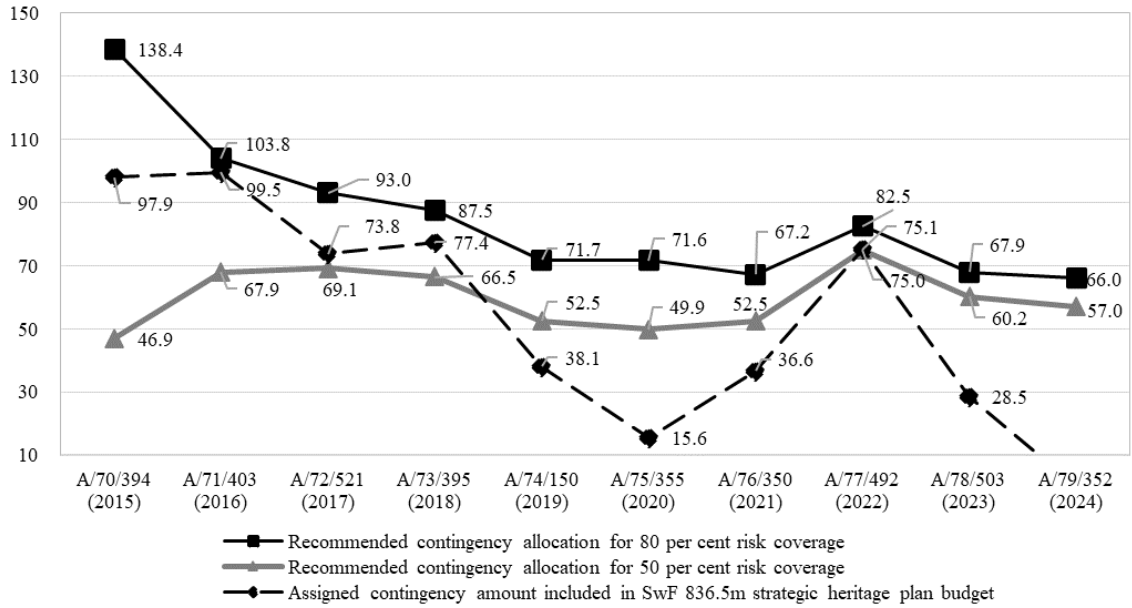
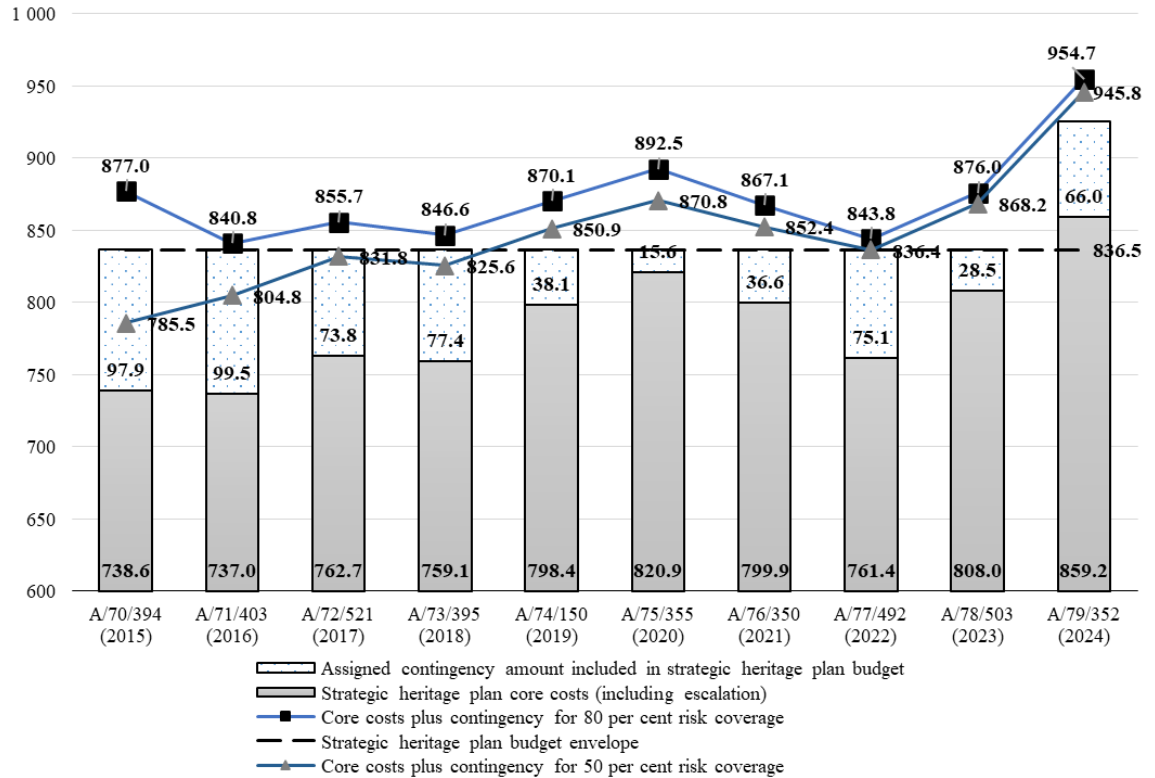


Figure XI
Trend of forecast project core costs and of available and probabilistic contingency

(Millions of Swiss francs)



3. Use of contingency

Table 9

Details of contingency used

(Thousands of Swiss francs)

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	Cumulative total
Additional lead design services	230	–	–	–	–	–	–	–	–	230
Additional programme management support	50	–	–	–	–	–	–	–	–	50
Flexible workplace study	460	410	–	–	–	–	–	–	–	870
New permanent building construction changes	–	–	2 400	1 100	2 080	2 650	1 284	298	–	9 812
Historic buildings renovation changes	–	–	–	–	–	280	4 391	9 121	13 618	27 410
Building E renovation changes	–	–	–	–	–	–	–	–	(205)	(205)
Historic buildings pre-construction services costs	–	–	–	–	10 040	–	–	–	–	10 040
Increased design consultancy costs	–	–	3 500	870	1 700	3 070	1 778	2 220	1 116	14 254
Temporary conference infrastructure	–	–	–	–	6 890	240	152	76	18	7 376
Temporary storage facility	–	–	–	–	3 440	–	–	–	–	3 440
Other operational changes	–	–	–	–	–	300	187	15	273	775
Annual total	740	410	5 900	1 970	24 150	6 540	7 792	11 729	14 820	74 052

75. In total, SwF 14.8 million of contingency was used in the reporting period, as shown in table 9, comprising the following:

(a) Additional design costs of SwF 1.1 million were committed during the reporting year, primarily in respect of additional design works for the historic buildings and building E;

(b) Additional approved changes have been committed from contingency with the main contractor for the renovation works of the historic buildings amounting to SwF 13.6 million, due to variations on site agreed with the construction firm as works have progressed;

(c) An amount of SwF 0.2 million was reduced from the core costs of building E because the variations agreed with the construction firm were offset by some value engineering changes;

(d) Minor activities were conducted in the temporary conference building for a total cost of SwF 0.02 million;

(e) Several other minor unforeseen activities relating to handover activities, scheduling services and business continuity required the use of contingency in the cumulative amount of SwF 0.3 million.

76. As shown in figure XI, the forecast of the final project core costs (including escalation) increased from the 2015 approved project baseline of SwF 738.6 million to SwF 888.8 million. The final forecast core costs increased by SwF 80.8 million as compared with the forecast contained in the previous annual report. Of the contingency amount included in the estimated project cost that was presented in the second annual progress report of the Secretary-General ([A/70/394](#) and [A/70/394/Corr.1](#)), the total committed and used to date amounts to SwF 74.1 million, representing the sum of SwF 14.8 million for 2024 and the total of SwF 59.3 million from 2016 to 2023, as reported in the tenth annual progress report.

77. As new needs arise, contingency costs have traditionally been drawn from available funds. However, with the pending conclusion of the guaranteed maximum price for building E, there would be no funds remaining for contingency within the 2015 approved budget baseline. This is why the General Assembly is requested to authorize the Secretariat to conclude the guaranteed maximum price agreement for building E by the third quarter of 2025, acknowledging that with this contractual action, the SwF 836.5 million total budget approved by the General Assembly will be exceeded, potentially up to the current P80 forecast cost of SwF 954.7 million, which will ensure sufficient contingency to complete the project.

D. Scheme and currency of appropriation and assessment

78. The General Assembly has, to date (by its resolutions [68/247](#), [69/262](#), [70/248](#), [71/272](#), [72/262](#), [73/279](#), [74/263](#), [75/253](#), [76/246](#), [77/263](#) and [78/253](#)), appropriated a total amount of SwF 329.1 million for the period from 2014 to 2024, net of the contributions made for the annual repayments of the Swiss loan for the new building, which are reflected under section 33 of the regular budget. In addition, voluntary contributions in the amount of SwF 1.9 million have been received from Member States and used to offset assessments on Member States in the years when the costs funded by those contributions are incurred. Consequently, the approved cost of the project that remains to be financed by Member States amounts to SwF 105.5 million (excluding the utilization and repayment of the host State loan).

79. In addition to the funding from voluntary donations, the main funding streams will continue to be utilized each year, in approximately equal amounts. Both income streams will be used until the end of the works. The utilization ratio each year between these two main funding elements may be revised depending on the General Assembly's decision on an assessment scheme in the forthcoming session. The host country loan will be treated as follows:

(a) The Swiss loan portion for the new building, building H, totalling SwF 125.1 million, was used from 2017 to 2021 to fund all eligible costs for construction and consultancy services. The drawdown profile was SwF 15.0 million in 2017, SwF 22.0 million in 2018, SwF 28.5 million in 2019, SwF 49.0 million in 2020 and SwF 10.6 million in 2021;

(b) The Swiss loan portion for the renovation work is used to fund part of the eligible costs for the renovation work on the existing buildings, for which the host country loan agreement anticipates a total amount of SwF 274.9 million. SwF 50.0 million was drawn in 2021, SwF 66.0 million in 2022 and SwF 35.0 million in 2023. It is estimated that the amount to be drawn in 2024 should reach SwF 15.0 million, of which SwF 7.5 million has already been received at the end of July 2024.

80. The three possible schemes of appropriation and assessment for the project remain the same as those presented in [A/78/503](#). Updated charts and detailed information on these options are presented in annex II to the present report.

81. Should Member States continue to decide upon the second option, with appropriations and assessments based on the estimated expenditures for each financial period, as has been the practice in previous years, the amount required to be appropriated for 2025 would be SwF 26.5 million, after allowing for the carrying over of funds already assessed that were not used in 2024.¹

¹ Current projections estimate that the 2024 year-end balance from available Member State assessments to be carried over for use in 2025 will amount to SwF 6.2 million.

E. Multi-year special account

82. In his previous annual progress reports on the strategic heritage plan ([A/70/394](#) and [A/70/394/Corr.1](#), [A/71/403](#) and [A/71/403/Corr.1](#), [A/72/521](#), [A/73/395](#), [A/74/452](#), [A/75/355](#), [A/76/350](#), [A/77/492](#) and [A/78/503](#)), the Secretary-General proposed that the accounting of the project be undertaken through a multi-year special account, funded through appropriations and assessments separate from the regular budget.

F. Update on alternative funding opportunities

1. Contributions from Member States to the strategic heritage plan

83. The United Nations Office at Geneva continues to solicit donations towards the financing of the construction and renovation work at the Palais des Nations and emphasizes to interested donors that priority will be given to those activities within the scope of the strategic heritage plan project, as requested in General Assembly resolution [75/253](#), section IX, paragraph 24. The United Nations Office at Geneva reiterates its appreciation to those Member States that have made contributions to date.

2. Donations to the United Nations Office at Geneva from Member States

84. While donations are encouraged for those activities within the scope of the project, it still ultimately remains the individual choice of Member States as to the scope of any donations that they wish to make. Therefore, further donations offered to the United Nations concurrently with the duration of the strategic heritage plan works are not within the scope of the project and would therefore not offset its overall costs.

3. Other proposed donations to the United Nations Office at Geneva

85. While donations are encouraged for those activities within the scope of the project, it still ultimately remains the individual choice of the donors as to the scope of any donations that they wish to make. Therefore, further donations offered to the United Nations concurrently with the duration of the strategic heritage plan works are not within the scope of the project and would therefore not offset its overall costs.

G. Valorization of United Nations-owned land in Geneva

86. The Secretary-General provided an update on the valorization study in [A/78/503](#), as requested in resolution [77/263](#). The General Assembly endorsed the conclusions and recommendations of the Advisory Committee to not approve the implementation of the updated valorization strategy and that any future study of the matter should be in section 29 of the programme budget. Therefore, there is no further information on the matter in the present report.

VIII. Next steps

87. The project team envisages that the following significant project design, contracting and construction activities will be carried out over the next three years:

(a) The completion of the pre-construction services for building E during the remainder of 2024 and 2025, culminating in the agreement of a guaranteed maximum price by the third quarter of 2025;

(b) The closure of building E in the second half of 2025 and the commencement of the early action works, which include the dismantling and removal

of the office tower, and the commencement of the renovation works to the conference and ancillary areas of building E, which are anticipated to run until the end of 2027;

(c) The implementation of change management and transition activities related to staff moves and ongoing space optimization in the Palais;

(d) The progressive completion of the renovation work, including commissioning and handover of completed building A and section AB of the historic Palais des Nations and ensuring the operational readiness of the conference rooms, in advance of the closure of building E;

(e) The further progressive completion of the remaining areas of the historic Palais des Nations during 2025, 2026 and 2027, including the commencement of building B library renovation works in the second half of 2025;

(f) The implementation of enhanced planning and project management techniques in collaboration with the renovation contractor to minimize further delays, together with close and tight management of the contingencies during the completion of remaining renovation works to ensure that the project can be completed as close to the approved budget as possible.

IX. Recommended actions to be taken by the General Assembly

88. The General Assembly is requested:

(a) To take note of the present report;

(b) To decide on the scheme and currency of appropriation and assessment for the project;

(c) To approve the establishment of a multi-year special account for the project;

(d) To decide whether to implement any of the de-scoping options presented in the present report;

(e) To approve the continuation of the position of Architect (P-4) until the end of 2025;

(f) To approve the change in function of the operational expert (P-3) from Architect to Engineer;

(g) To authorize the Secretariat to conclude the guaranteed maximum price agreement for building E by the third quarter of 2025, acknowledging that with this contractual action, the SwF 836.5 million total budget approved by the General Assembly will be exceeded, up to potentially the current P80 forecast cost of SwF 954.7 million.

Annex I

Expenditures by funding source

Table A.I.1

Approved funding from Member States, realized and projected expenditures for 2014–2024

(Thousands of Swiss francs)

Description	(A)	(B)	(C=A+B)	(D)	(E)	(F=D+E)
	Approved Member State funding 2014–2023	Approved Member State funding 2024	Total approved Member State funding 2014–2024	Expenditures as at 31 July 2024	Projected expenditures August–December 2024	Total projected expenditures 2014–2024
Construction and refurbishment	124 972.5	7 321.0	132 293.5	119 240.1	–	119 240.1
Design, consultancy and contracted external expertise	115 695.9	7 480.0	123 175.9	143 097.7	4 334.5	147 432.2
Associated costs	27 176.2	2 142.0	29 318.2	13 867.2	550.5	14 417.7
Project management team and operational expert team	38 937.2	4 671.0	43 608.2	39 734.0	1 627.0	41 361.0
Travel	649.6	85.0	734.6	437.6	20.2	457.8
Total	307 431.4	21 699.0	329 130.4	316 376.6	6 532.2	322 908.8

Table A.I.2

Approved funding from the Swiss loan, realized and projected expenditures for 2014–2024

(Thousands of Swiss francs)

Description	(A)	(B)	(C=A+B)	(D)	(E)	(F=D+E)
	Swiss loan funding received 2017–2023	Projected Swiss loan funding 2024	Total projected Swiss loan funding 2017–2024	Expenditures as at 31 July 2024	Projected expenditures August–December 2024	Total projected expenditures 2014–2024
Construction and refurbishment	264 577.8	15 000	279 577.8	269 923.4	6 014.0	275 937.4
Design, consultancy and contracted external expertise	11 522.2	–	11 522.2	11 203.3	–	11 203.3
Total	276 100	15 000	291 100.0	281 126.7	6 014.0	287 140.7

Table A.I.3

Approved funding from other sources, realized and projected expenditures for 2014–2024

(Thousands of Swiss francs)

Description	(A)	(B)	(C=A+B)	(D)	(E)	(F=D+E)
	Other funding received 2014–2023	Projected other funding 2024	Total projected other funding 2014–2024	Expenditures as at 31 July 2024	Projected expenditures August–December 2024	Total projected expenditures 2014–2024
Construction and refurbishment	–	–	–	–	–	–
Design, consultancy and contracted external expertise	210.5	–	210.5	210.5	–	210.5
Total	210.5	–	210.5	210.5	–	210.5

Annex II

Detailed information on financing schemes

A. Appropriation and assessment options

1. The three financing options remain as described in annex II to the tenth annual progress report (A/78/503) and previous reports of the Secretary-General on the strategic heritage plan.

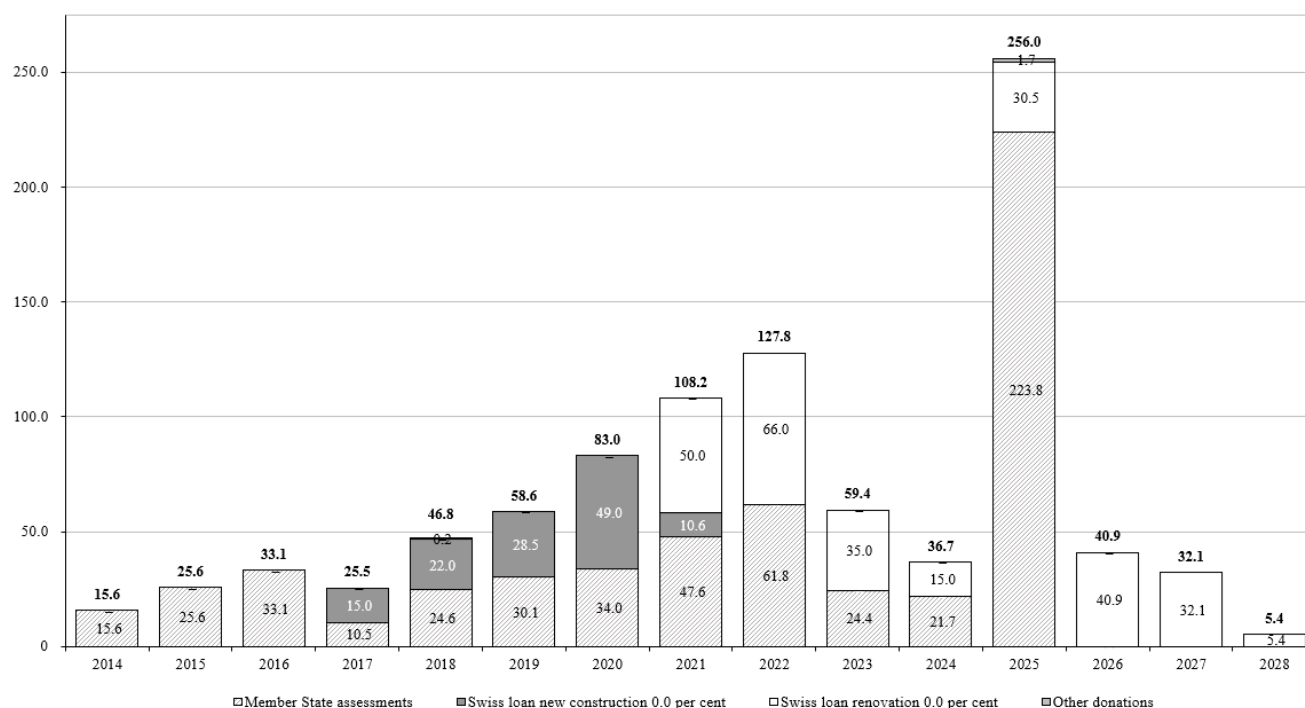
Option 1: One-time upfront appropriation and assessment

2. The remaining cost of the project to be financed by Member States from 2025 onward (SwF 223.8 million, excluding repayments of the loan) would be appropriated in its entirety in 2025. The detailed financing scheme of this option is reflected in figure A.II.I and table A.II.1.

Figure A.II.I

Overall financing overview: upfront appropriation in 2025 and annual use of loans

(Millions of Swiss francs)



Option 2: multi-year appropriations and assessments

3. Multi-year appropriations and their related annual assessments on Member States could be based on the estimated expenditures for each financial period, or on the average annual projected expenditures, as explained below.

Based on the estimated expenditures for each financial period

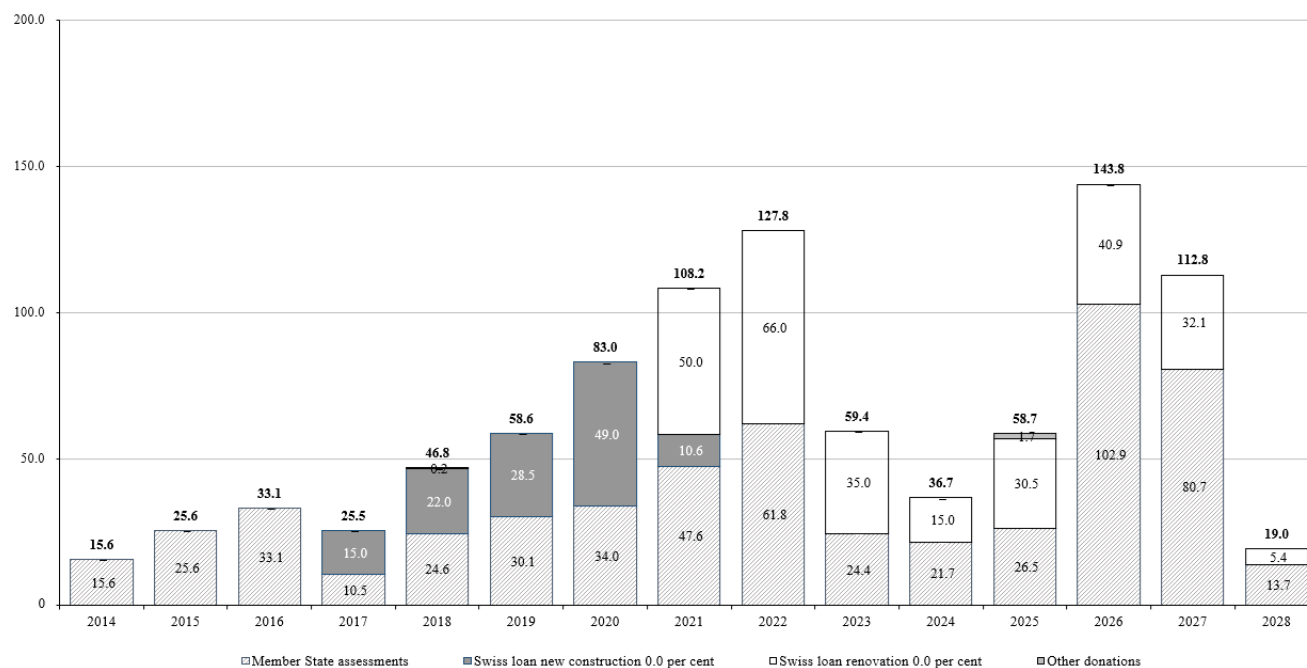
4. Figure A.II.II depicts the overall financing scheme based on the estimated expenditures for each financial period (see also table A.II.2 for the detailed financing scheme). The yearly use of the renovation loan and of assessed contributions will be determined in 2025 as 50 per cent of the total required funding from the loan and

50 per cent from assessed contributions (less any income received from voluntary donations and including any carry-over from previous periods under the respective funding source). From 2026 onward, while the annual percentage from the loan will be reduced slightly, the loan will continue to be used until the end of the project. Depending on the timeliness of the assessment payments received from Member States, there could be some cash-flow risks to the project under this option.

Figure A.II.II

Overall financing overview: appropriation and loans based on annual projected expenditures

(Millions of Swiss francs)

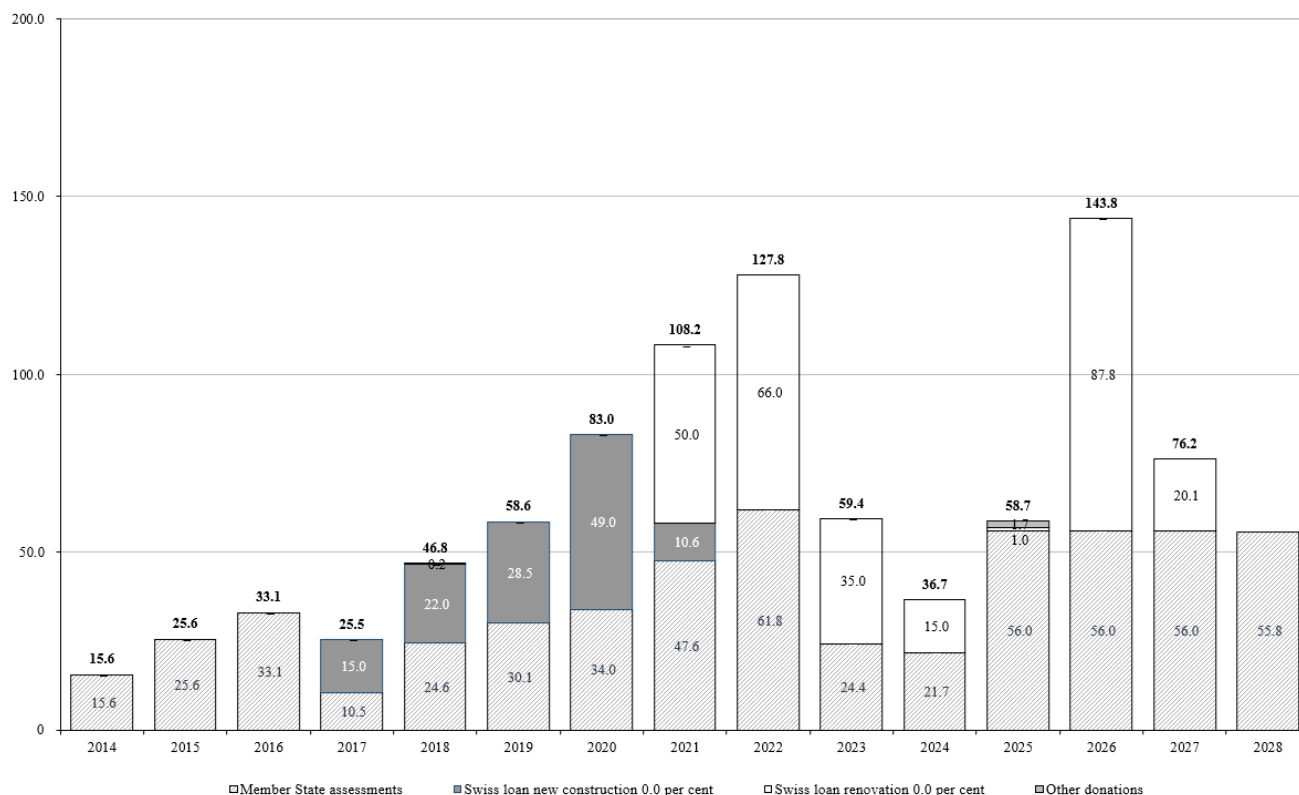


Based on the average annual projected expenditures

5. Figure A.II.III depicts the overall financing scheme with equal assessments on Member States over the four-year period 2025 to 2028 in annual amounts of SwF 56.0 million, based on the average of the total project resource requirements (see also table A.II.3 for the detailed financing scheme). The use of the renovation loan would be adjusted accordingly, as also indicated in figure A.II.III.

Figure A.II.III
Overall financing overview: equal annual appropriation and annual use of loans

(Millions of Swiss francs)



Option 3: one-time upfront appropriation, with mix of one-time and multi-year assessments

6. Under this option, the remainder of project costs to be financed by Member States would be appropriated in its entirety at the beginning of 2025, but Member States would then each be able to decide whether their assessment would be a one-time upfront payment or assessed over the next three years, based on annual projected expenditures. This option remains the same as described in previous reports.

7. It should also be noted that under this option, the amount of future voluntary contributions received that cover elements within the scope of the project would be either returned to those Member States that have selected the one-time upfront payment option or credited against future yearly assessments of those Member States that have selected the multi-year option.

B. Currency risk management

8. Currency risks for the project remain the same as reported in the previous progress report (A/78/503).

C. Negative interest rates

10. The previously reported risks related to negative interest rates are not relevant for the reporting period as interest rates are now positive.

Table A.II.1
Overall financing overview: upfront appropriation

(Millions of Swiss francs)

	Strategic heritage plan project period (2014–2028)															Total
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Member State appropriation	15.6	25.6	33.1	10.5	24.6	30.1	34.0	47.6	61.8	24.4	21.7	223.8	–	–	–	552.8
Swiss loan new construction 0.0 per cent	–	–	–	15.0	22.0	28.5	49.0	10.6	–	–	–	–	–	–	–	125.1
Swiss loan renovation 0.0 per cent	–	–	–	–	–	–	–	50.0	66.0	35.0	15.0	30.5	40.9	32.1	5.4	274.9
Other donations ^a	–	–	–	–	0.2	–	–	–	–	–	–	1.7	–	–	–	1.9
Prior year-end balance carried forward	–	12.7	11.7	3.9	5.9	12.4	17.8	5.2	5.7	30.3	28.4	10.1	197.3	94.4	13.7	449.5
Balance at year-end to carry forward to next year ^b	(12.7)	(11.7)	(3.9)	(5.9)	(12.4)	(17.8)	(5.2)	(5.7)	(30.3)	(28.4)	(10.1)	(197.3)	(94.4)	(13.7)	–	(449.5)
Total, financing sources	3.0	26.6	40.8	23.5	40.3	53.3	95.6	107.7	103.2	61.3	55.0	68.8	143.8	112.8	19.0	954.7

^a The amounts refer to financial contributions from Andorra, China, Monaco and Montenegro.

^b The projected year-end balance for 2024 is based on the assumption that the assigned contingency for 2024 would be used in 2024. The year-end balances of previous years reflect the difference between the actual expenditures and the sum of the total financing received plus the respective previous year's carry-over from the preceding year.

Table A.II.2
Overall financing overview: appropriation based on annual projected expenditures

(Millions of Swiss francs)

	Strategic heritage plan project period (2014–2028)															Total
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Member State appropriation	15.6	25.6	33.1	10.5	24.6	30.1	34.0	47.6	61.8	24.4	21.7	26.5	102.9	80.7	13.7	552.8
Swiss loan new construction 0.0 per cent	–	–	–	15.0	22.0	28.5	49.0	10.6	–	–	–	–	–	–	–	125.1
Swiss loan renovation 0.0 per cent	–	–	–	–	–	–	–	50.0	66.0	35.0	15.0	30.5	40.9	32.1	5.4	274.9
Other donations ^a	–	–	–	–	0.2	–	–	–	–	–	–	1.7	–	–	–	1.9

	Strategic heritage plan project period (2014–2028)															
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Prior year-end balance carried forward	–	12.7	11.7	3.9	5.9	12.4	17.8	5.2	5.7	30.3	28.4	10.1	–	–	–	144.1
Balance at year-end to carry forward to next year ^b	(12.7)	(11.7)	(3.9)	(5.9)	(12.4)	(17.8)	(5.2)	(5.7)	(30.3)	(28.4)	(10.1)	–	–	–	–	(144.1)
Total, financing sources	3.0	26.6	40.8	23.5	40.3	53.3	95.6	107.7	103.2	61.3	55.0	68.8	143.8	112.8	19.0	954.7

^a The amounts refer to financial contributions from Andorra, China, Monaco and Montenegro.

^b The projected year-end balance for 2024 is based on the assumption that the assigned contingency for 2024 would be used in 2024. The year-end balances of previous years reflect the difference between the actual expenditures and the sum of the total financing received plus the respective previous year's carry-over from the preceding year.

Table A.II.3
Overall financing overview: equal annual appropriation

(Millions of Swiss francs)

	Strategic heritage plan project period (2014–2028)															
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Member State appropriation	15.6	25.6	33.1	10.5	24.6	30.1	34.0	47.6	61.8	24.4	21.7	56.0	56.0	56.0	55.8	552.8
Swiss loan new construction 0.0 per cent	–	–	–	15.0	22.0	28.5	49.0	10.6	–	–	–	–	–	–	–	125.1
Swiss loan renovation 0.0 per cent	–	–	–	–	–	–	–	50.0	66.0	35.0	15.0	1.0	87.8	20.1	–	274.9
Other donations ^a	–	–	–	–	0.2	–	–	–	–	–	–	1.7	–	–	–	1.9
Prior year-end balance carried forward	–	12.7	11.7	3.9	5.9	12.4	17.8	5.2	5.7	30.3	28.4	10.1	–	–	(36.7)	107.4
Balance at year-end to carry forward to next year ^b	(12.7)	(11.7)	(3.9)	(5.9)	(12.4)	(17.8)	(5.2)	(5.7)	(30.3)	(28.4)	(10.1)	–	–	36.7	–	(107.4)
Total, financing sources	3.0	26.6	40.8	23.5	40.3	53.3	95.6	107.7	103.2	61.3	55.0	68.8	143.8	112.8	19.0	954.7

^a The amounts refer to financial contributions from Andorra, China, Monaco and Montenegro.

^b The projected year-end balance for 2024 is based on the assumption that the assigned contingency for 2024 would be used in 2024. The year-end balances of previous years reflect the difference between the actual expenditures and the sum of the total financing received plus the respective previous year's carry-over from the preceding year.

Annex III

Status of implementation of recommendations of the Board of Auditors

Information on the status of all audit recommendations for the strategic heritage plan is available in annexes I and II of the report of the Board of Auditors on the financial statements of the United Nations for the year ended 31 December 2023 (A/79/5 (Vol. I)). The outstanding recommendations in all prior periods (2017 and 2019) have now been implemented and closed by the Board. A list of recommendations currently remaining under implementation is provided below.

A. Status of implementation of recommendations of the Board of Auditors contained in its fourth report on the strategic heritage plan for the year ended 31 December 2021¹

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the strategic heritage plan team ensure that the works, tests and defects noted on the punch list are addressed as expeditiously as possible.	Under implementation
The Board recommends that the strategic heritage plan team closely supervise the operation and maintenance carried out by the contractor with respect to the systems not yet finally accepted, as indicated on the punch list, until those systems are fully approved by the strategic heritage plan team and are then able to be operated and maintained by the United Nations Office at Geneva.	Under implementation
The Board recommends that the strategic heritage plan team assess if there is a potential for recouping any additional costs that may have arisen as a result of inaccuracies or incompleteness in technical design.	Under implementation

B. Status of implementation of recommendations of the Board of Auditors related to the strategic heritage plan contained in its report on the financial statements of the United Nations for the year ended 31 December 2022²

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the Administration assess whether there is potential for recouping any avoidable costs that may have arisen, and closely monitor the technical steps of the programme in order to anticipate and prevent changes resulting from the mistakes or shortcomings of its vendors.	Under implementation
The Board recommends that the Administration resolve all pending issues for building H before the end of the liability period.	Under implementation

¹ A/77/94.

² A/78/5 (Vol. I).

C. Status of implementation of recommendations of the Board of Auditors contained in its fifth report on the strategic heritage plan for the year ended 31 December 2023³

<i>Recommendation</i>	<i>Action reported by management</i>
The Board recommends that the Administration further reinforce the governance and resourcing of the strategic heritage plan programme management, in order to strengthen its oversight and mitigate the risks of additional cost and time delays.	Under implementation
The Board recommends that the Administration present in its annual progress report to the General Assembly the updated timetable for implementing each phase of the programme and the interdependencies between each phase.	Under implementation
The Board recommends that the Administration, while ensuring that every effort is made to meet the initial programme objectives set by the General Assembly, identify all possible options to keep the final cost of the project as close as possible to the initial envelope and avoid short-term measures that could lead to an increase in future costs and additional risks for the programme.	Under implementation
The Board recommends that the Administration, considering the updated schedule of the strategic heritage plan programme, fully implement the new space utilization standard in order to densify office occupancy, as well as monitor the impact on working conditions and propose improvements as appropriate.	Under implementation
The Board recommends that the Administration take all necessary steps to resolve the outstanding issues relating to building H, including by: (i) engaging intensively with the contractor; (ii) ensuring that the financial guarantee for the value of the remaining works is available on time; (iii) setting a deadline for the closure of all outstanding items prior to the release of the retention and financial guarantee, or using these guarantees to complete the outstanding works by that date and in accordance with the contract; and (iv) allocating appropriate resources of the United Nations Office at Geneva to enable the most efficient completion of the building H element of the programme.	Under implementation
The Board recommends that the Administration examine whether and to what extent claims for delays and errors in renovation works concerning the historic buildings and attributable to the contractor or the design firm could be pursued.	Under implementation
The Board recommends that the Administration, in consultation with all stakeholders: (i) immediately review the design of building E, assess any relevant modifications to be requested during the pre-construction phase, and act swiftly accordingly to limit subsequent changes during the dismantling and renovation phases; and (ii) review existing quality monitoring under the contract and identify ways to strengthen it.	Under implementation
The Board recommends that the Administration, in order to guarantee the long-term preservation of the library collections, artworks, archives and furniture, ensure that adequate protocols and measures are in place: (i) to prevent irreversible deterioration and damage to the Palais des Nations heritage during renovation works; and (ii) to provide a safe location for heritage components after renovation.	Under implementation

³ [A/79/166](#).

Annex IV

Strategic heritage plan project status charts

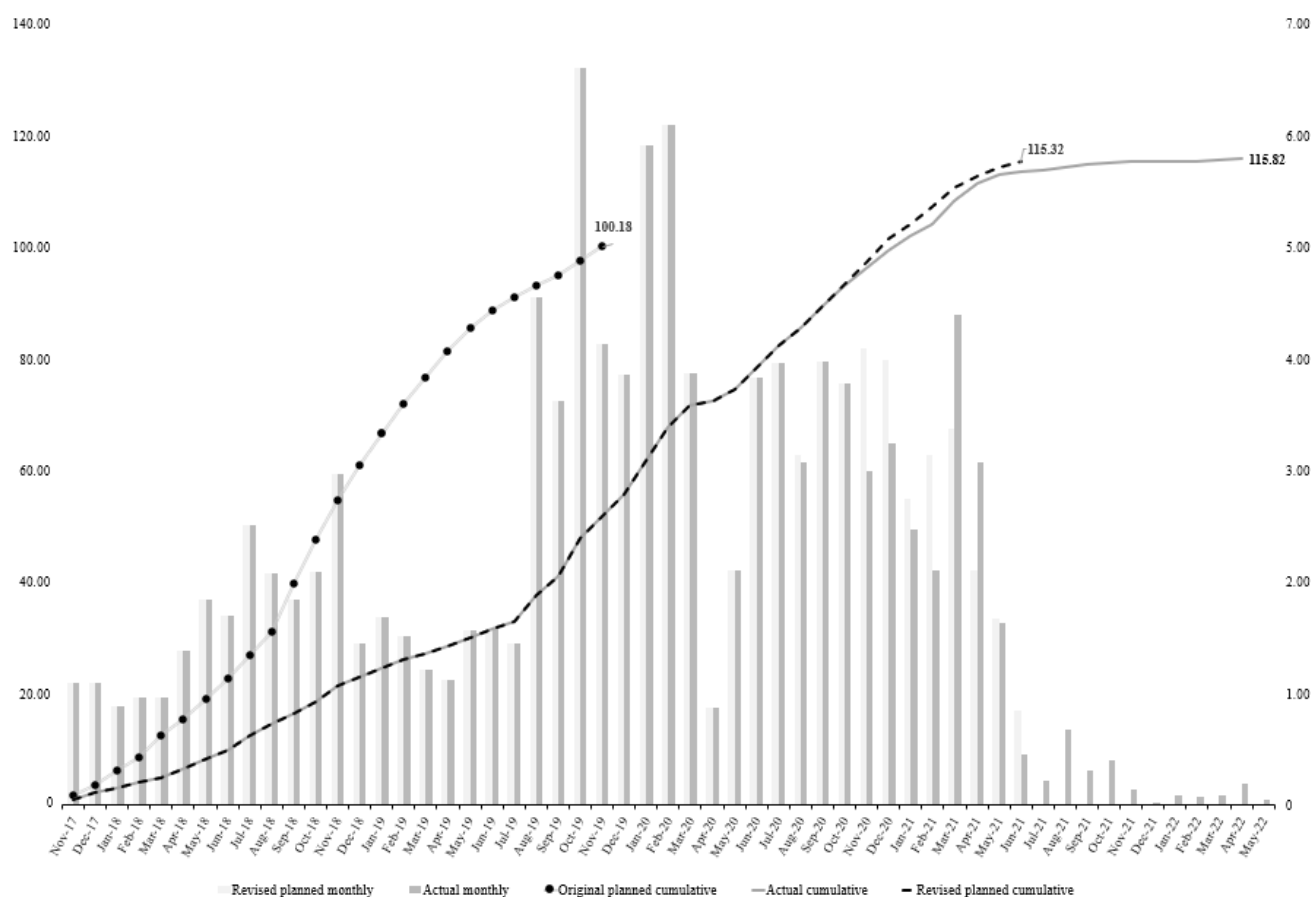
1. In response to the recommendation of the Board of Auditors that the United Nations Office at Geneva incorporate the earned value project status charts in the annual progress report to the General Assembly, the charts in the three figures below provide a simple depiction of the level of works completed on the project against the project plan.

2. Figure A.IV.I shows the earned value status chart for the construction contract of the new building, building H. The chart depicts the original contracted and planned cumulative spend, up to November 2019, at a value of SwF 100,180,000. In practice, the revised planned cumulative expenditure has deviated from this, as the work took considerably longer to complete and the value of the work increased through variations to SwF 115,820,000.

Figure A.IV.I

Earned value status chart – new permanent building H construction

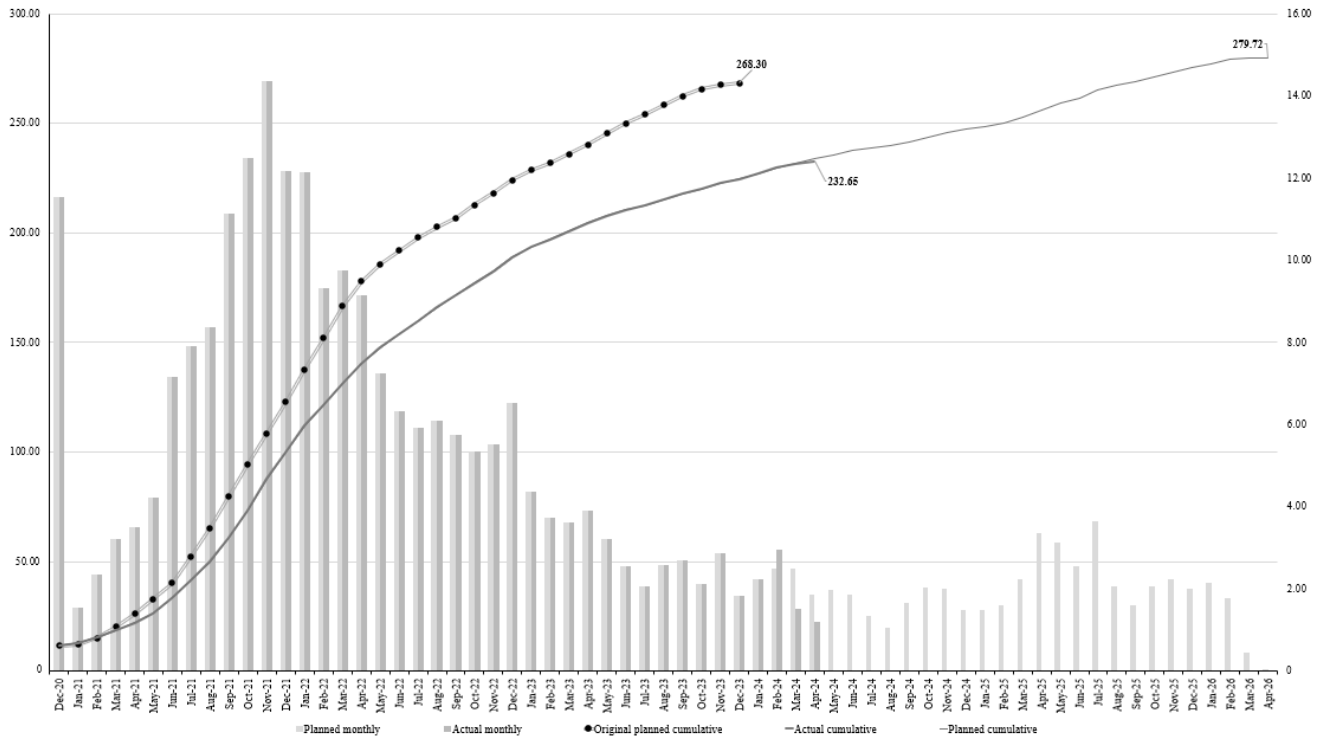
(Millions of Swiss francs)



3. Figure A.IV.II shows the earned value status chart for the construction contract of the historic building renovation. The chart depicts the actual progress compared with the current contractor's cash flow (updated in April 2024) and with the original cashflow presented by the contractor. To date, the actual cumulative spend is behind

the planned cumulative spend, reflecting delays related to the programme for the historic building renovation.

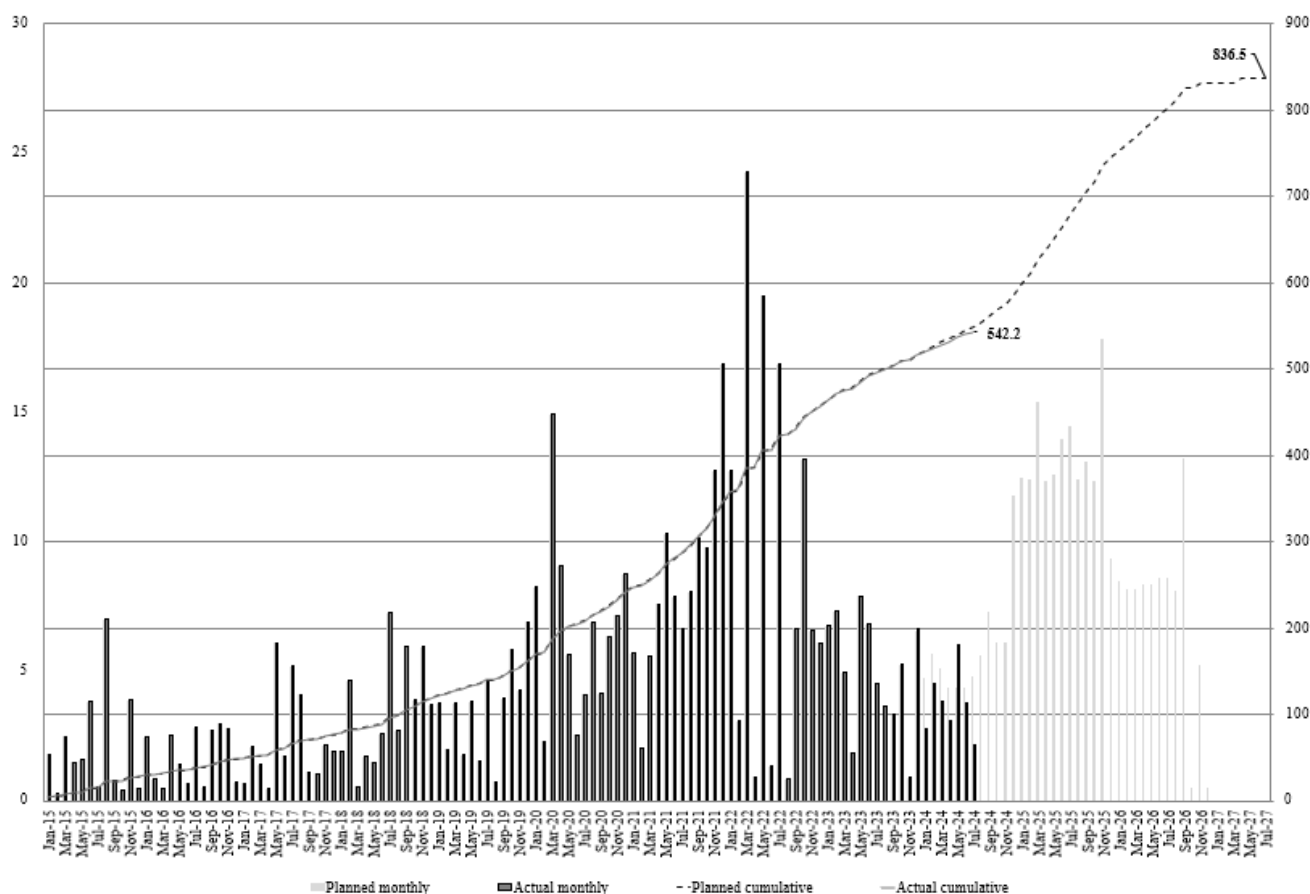
Figure A.IV.II
Earned value status chart – Palais des Nations historic building renovation
 (Millions of Swiss francs)



4. Figure A.IV.III shows the earned value status chart for the entire strategic heritage plan project, inclusive of the construction contracts for the new building, building H, and the historic building renovation contract depicted in figures A.IV.I and A.IV.II, together with the planned expenditure for the renovation of building E and all the other elements of the overall strategic heritage plan project. The chart depicts the planned cumulative spend of the approved project budget of SwF 836.5 million.

Figure A.IV.III
Earned value status chart – overall strategic heritage plan project

(Millions of Swiss francs)



5. It should be noted that the above charts and the amounts depicted do not directly reconcile with the financial figures provided elsewhere in the present annual progress report. This is because the earned value refers to the direct contracted construction spend and the value of the contracted work with the two main contractors, which is closer (if not almost equal) to the disbursement value as at the end of the monthly reporting date of July 2024, whereas the other tables in the report are based on commitments and therefore exhibit a higher expenditure value to date.

Annex V

Other issues related to the strategic heritage plan

A. Security considerations

1. As described in previous annual progress reports of the Secretary-General, the United Nations Office at Geneva, in coordination with the Department of Safety and Security, continues to develop the security master programme for the United Nations premises in Geneva.

2. The changes to bring the design of the project in line with the updated security master programme are ongoing. With funding from the programme, revolving doors continue to be installed on the campus. In addition, automated mechanisms are being installed on the fire-resistant doors, to allow compartmentalization of the internal areas of the various buildings. These changes have not had an adverse impact on the cost or schedule of the strategic heritage plan.

3. As indicated in previous progress reports, in 2020, the Government of Switzerland formally committed to provide the United Nations Office at Geneva with an in-kind grant of SwF 6.3 million for the improvement of a portion of the northern sector of the external perimeter fence line. On 5 January 2022, a memorandum of understanding was signed between the United Nations Office at Geneva and the host country authorities. In May 2022, the United Nations Office at Geneva and Swiss representatives started working on the overall design for that project. The Department of Safety and Security of the United Nations Office at Geneva continues to work on the detail design and the project will begin towards the end of 2025.

4. In June 2021, the Permanent Mission of Switzerland to the United Nations Office at Geneva and other international organizations in Geneva informed the United Nations Office at Geneva that it would provide a second in-kind grant of approximately SwF 1 million to be allocated for the redesign of the vehicle access area on Avenue de la Paix, adjacent to the Pregny vehicle access point. The project is currently under revision by the various host country stakeholders and a final concept of the project is still to be presented to the United Nations Office at Geneva.

5. As part of the strategic heritage plan renovation project, a new, state-of-the-art security operations centre will be designed and built in section S2. With the ageing of the existing security operations centre, during the technical design phases, the design team concluded that a new centre would be required. It is a critical hub for the Department of Safety and Security to ensure the safety and security of all who enter the Palais. Once the new centre is built, tested and commissioned, the existing security operations centre will be slightly modified and upgraded to become a backup in case of unforeseen loss of the new primary security operations centre. The design is currently being finalized.

B. Works of art, masterpieces and other gifts

6. As reported in previous progress reports, an exhaustive inventory has been taken of all art works and gifts that had either been inherited from the League of Nations or received directly as donations by the United Nations Office at Geneva. An inventory of all artworks from building E has now been included in the database.

7. As sections of the Palais are completed, artworks are reinstalled. Artworks have been reinstalled in section AC and will progressively be reinstalled in section S1 and building A. Additional specialist insurance coverage has been taken out by both the

contractor and the United Nations Office at Geneva for their respective elements of these operations.

C. Non-strategic heritage plan projects

1. New visitors' centre

8. The United Nations Office at Geneva recently secured approval from the Geneva authorities to construct its new visitors' centre, to be called the Portail des Nations. Construction is now under way, with the opening to the public scheduled for the last quarter of 2025.

9. The construction of the Portail des Nations involves the creation of a new facility spanning approximately 3,500 m² (including indoor and outdoor areas) within the Palais des Nations, designed to accommodate up to 250,000 visitors annually. The space will be dedicated to the promotion of multilateralism.

10. The new visitors' centre will provide a contemporary, interactive multimedia experience. The objective is to foster a greater sense of involvement among visitors in the deliberations and resolutions conducted by United Nations entities in Geneva to tackle global challenges.

11. This project is fully funded by the donor and the operations of the new centre are expected to be cost-neutral to Member States.

12. As for the permanent exhibition, the visitor experience was further refined during the reporting period by an expert media design firm, based on inputs from the Department of Global Communications and United Nations agencies based in Geneva. Visitors will walk through four rooms and will learn about the worldwide impact of the work of the United Nations. They will then be able to tour the Palais des Nations historic buildings. The exhibition is currently in the final design phase.

2. Expansion of Geneva main train station and track infrastructure

13. Further to the previous reports on the expansion of the Geneva main train station and track infrastructure project, and in conformity with the agreements signed in 2019 and 2021, there are ongoing discussions between the Swiss Federal Railways and the United Nations Office at Geneva to coordinate on various pre-activities that are necessary to begin the works.

14. The project team is undertaking detailed project designs and site studies, for example of vegetation and wildlife, which benefited the project and the United Nations Office at Geneva. The Swiss Federal Railways have confirmed that, while the project is delayed as compared to the initial plans, it now aims to break ground in 2029.

D. Post-strategic heritage plan maintenance considerations

15. Pursuant to General Assembly resolution [75/253](#), in which the Assembly endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions (see [A/75/7/Add.12](#)), the Secretariat is developing a post-strategic heritage plan maintenance strategy. Priority is being given to the first sections being delivered by the strategic heritage plan, namely building H, section AC and building D in the Palais des Nations.

16. As reported previously, the strategy is based on a planned preventive maintenance regime that includes the regular life cycle replacement of building

components at the end of each of their respective useful lives with a view to making the best use of resources, providing better value for money.

17. As reported in the previous progress report ([A/78/503](#)), given the number of new components and technology included in the strategic heritage plan works, it is expected that maintenance costs will not decrease post-strategic heritage plan, but rather increase, since these new technical building components will require routine, regular and preventive maintenance.

Annex VI

Options for de-scoping the approved strategic heritage plan project

1. The General Assembly originally approved the project scope, schedule and maximum estimated cost of the project in 2015, in its resolution [70/248](#) (sect. X, para. 4).

2. The Advisory Committee on Administrative and Budgetary Questions, in its report [A/78/7/Add.18](#), stated that it saw merit in providing de-scoping options with clear financial and operational implications when presenting project proposals facing significant resource challenges compared with their previously approved budgetary levels (para. 36). In its resolution [78/253](#), the General Assembly endorsed that recommendation and requested the Secretary-General to ensure that any change that affected the scope of the strategic heritage plan project was presented for the consideration and decision of the General Assembly (sect. XIX, para. 15).

3. At the time of writing of the present report, the strategic heritage plan budget is projected to exceed the overall approved budget by SwF 118.2 million, or 14 per cent of the overall budget at the P80 level. The cost overrun is due to multiple factors. The budget was originally costed and approved in 2015 with escalation calculated based on projections of the low historic trends at that time. Since the outset of the COVID-19 pandemic, average inflation in the construction sector in the Canton of Geneva rapidly increased by approximately 16 per cent between 2020 and 2024. For some specific key trades and works, inflation has been significantly higher. In Europe, average construction prices rose approximately 21 per cent between 2018 and 2023. It would be difficult to maintain costs within budget in a normal economic situation, but in the current situation of rapid high inflation rates, it is not possible to remain within the price ranges predicted in 2015. In addition, the prolongation of the project from an initial end date of 2023 until 2027 has resulted in additional works, as well as programme management and contractual costs. Over the course of the project, there have been operational necessities and events that have arisen and were not foreseen, such as the building of the temporary conference centre to ensure business continuity, necessary audiovisual updates, the redesign of building H to accommodate the General Assembly mandated flexible work policy and the need to follow the least-risk approach to the building B library renovations. Furthermore, as the project involves renovating historic buildings, there have been unforeseen discoveries, such as the asbestos in the Pas Perdus area in building A, which necessitated additional works leading to increased cost and time. The Secretariat has proactively reduced costs through value engineering and has, to date, saved approximately SwF 10 million. Given these factors, the Secretariat notes that containing the budget to a projected 14 per cent overspend on a project of this size and complexity is a positive achievement, especially taking into account that according to a recent study,¹ 91.5 per cent of large infrastructure projects go significantly over budget and/or schedule.

4. The Secretariat is of the opinion that, given the advanced stage of the project, the best value for the Organization is to continue with the full scope while continuing to contain costs and seek value engineering opportunities. De-scoping will generate delays while the design of affected areas is reworked, creating additional expense to be incurred, which will erode the savings of the reduced scope. Given these additional costs and delays, the financial impact of de-scoping would be disproportionate to the loss of benefits to Member States and the Organization. These include a loss of the preservation of the heritage of the Palais des Nations, accessibility measures and the

¹ Bent Flyvbjerg and Dan Gardner, *How Big Things Get Done* (Macmillan Business, 2023).

works necessary to ensure the health and safety of the occupants of the campus. Furthermore, the de-scoped works would eventually need to be undertaken post-strategic heritage plan, almost certainly at a higher cost, given that rates of inflation are rising rapidly in the construction industry. Moreover, until the de-scoped works are completed, the United Nations Office at Geneva would incur increased maintenance and repair costs.

5. The Secretariat is of the view that savings will continue to be achieved through routine value engineering without reducing scope on building E, as has been achieved on other buildings. This includes working closely with the contractor to reduce prices during the pre-construction services period and exploring all feasible savings options.

6. Pursuant to the advice of the Advisory Committee, the Secretariat has identified several de-scoping options for the consideration of the General Assembly. Given the advanced stage of the project, the only available options are in section S2 and buildings B and E, where construction works have not yet started. The options below were developed in close collaboration with the project risk and cost consultants and do not compromise compliance with core local health and safety codes. Several options may be combined. The potential savings presented are estimates only.

7. De-scoping comes with its own risks and there is a high degree of uncertainty with regard to the actual amounts of savings that could be achieved, which will not be clarified until the design work has been finalized.

8. As noted by the Board of Auditors in its most recent report, the loan agreement with the host country states that the United Nations may need to immediately repay the loan amounts already provided if the United Nations does not implement the construction or renovation works.

Options for de-scoping the approved strategic heritage plan project

<i>Buildings/ Sections</i>	<i>Description</i>	<i>Potential savings</i>	<i>Potential financial implications</i>	<i>Description of works</i>	<i>Risks</i>	<i>Loss of benefits</i>
Section S2 fire and life safety works only	Works limited to essential interventions only	SwF 2.3 million	This would require the United Nations Office at Geneva to do the works within the next 5 to 10 years to renovate the building and construct the new security operations centre currently planned in the project. The expense would shift to the Department of Safety and Security of the United Nations Office at Geneva at a higher cost due to inflation and the cost of procuring a new contractor to do the works.	Works would be limited to essential interventions to this building to achieve the building permit (including fire compartments, egress routes, public address, smoke detection, etc.). The new security operations centre would not be completed and hence business continuity would need to be considered as the existing security operations centre would need to be renovated while in use.	This change would be likely to delay the project schedule by 6 to 12 months, in order to redesign the works. This would result in a security risk as the security centre would be omitted from the strategic heritage plan. The United Nations Office at Geneva would then be left with only one security operations centre, the response time to security incidents could be significantly delayed. This could result in a serious security incident affecting staff and visitors.	The modernization of the working space would not be achieved and accessibility measures would not be included. New security systems that have been installed as part of the United Nations Security Master Plan would not be sufficiently supported to render the intended security enhancements to the United Nations Office at Geneva, thereby representing a loss of return on funds already invested in upgraded systems. The safety and security of staff would be compromised until the new security operations centre was built.
Building B	Variant 1: Omit main works and maintain current operations	SwF 14 million and potential risk avoidance of cost of up to SwF 10–14 million to remove and store all library materials during the works	As these works are necessary to meet code compliance, the United Nations Office at Geneva would need to do the works within the next 5 to 10 years. This would increase the expense, as a new contractor would need to be procured at a higher cost due to inflation. There would be an increase in maintenance costs for the United Nations Office at Geneva until a new contractor was hired to renovate the building. This would also reduce the pressure on the contingency related to the removal of the collection during the works.	The bare minimum health and safety maintenance works would be done, heating adjustments would be made to achieve a lower temperature and window replacement would be undertaken to achieve Minergie requirements to reduce energy consumption and save on operating costs.	It might not be possible to de-scope due to the critical nature of fire and life safety and requirements. The Minergie standard might not be achieved. Building B might not be integrated into the new or upgraded systems (lockdown, access control, information technology, etc.) and accessibility and energy goals might not be achieved. This would require a redesign, which risks adding a delay of 6 to 12 months to the programme, and increasing the cost to the project team for the redesign work.	This involves a potential compromise of health and safety, energy efficiencies lost, accessibility measures not implemented and upgrade to working conditions not completed.

<i>Buildings/ Sections</i>	<i>Description</i>	<i>Potential savings</i>	<i>Potential financial implications</i>	<i>Description of works</i>	<i>Risks</i>	<i>Loss of benefits</i>
Building B	Variant 2: Building B fire and life safety works only	SwF 3.7 million	As these works are necessary, the United Nations Office at Geneva would need to do the works within the next 5 to 10 years, thus increasing the cost to the Organization due to inflation, the costs of procuring a new contractor and potentially additional staff from the United Nations Office at Geneva to oversee the work. There would be an increase in maintenance costs for the United Nations Office at Geneva until a new contractor was hired to renovate the building.	The project would perform essential interventions to the building to achieve the building permit (including fire compartments, egress, public address, smoke detection, etc.) and avoid de-coupling from the rest of the Palais des Nations.	This risks a delay of 6 to 12 months to the programme schedule due to redesign.	Energy efficiencies would be lost, accessibility measures would not be implemented and upgrades to working conditions would not be completed.
Building E	Building E with removal of some works and omission of all public spaces works including the escalators	SwF 13.7 million	As these works are necessary, the United Nations Office at Geneva would need to do the works within the next five years, thus increasing the cost to the Organization in the future due to inflation, the costs of procuring a new contractor and potentially additional staff from the United Nations Office at Geneva to oversee the work. Maintenance costs on the building would increase until the work was completed.	The project would omit furniture repairs, cooling towers, lifts, smoke detectors and print shop works, and reduce external works, scope of finishes, doors, glazed partitions and ceilings.	This option would require a complete redesign and approval by all United Nations stakeholders resulting in increased cost and time. There is a risk that the time delay could be up to three to six months.	Accessibility features not implemented, loss of energy efficiencies and possible loss of Minergie standard for the Palais des Nations.