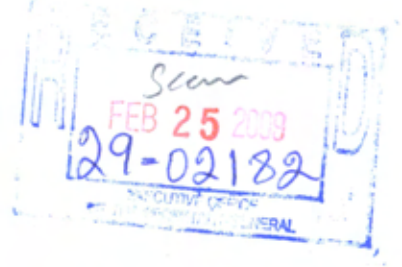


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## Note to Mr. Nambiar

### New Office Facility (NOF) projects at ECA and UNON

I recently returned from a visit to UNON and ECA to review the management of the two NOF projects that were extensively discussed with the Fifth Committee this past November. It was a very productive and reassuring visit. I am pleased to report that after lengthy delays it should be now feasible to commence actual construction in the very near future at both locations.

#### ECA NOF

1. The management team at ECA is dedicated to the success of the NOF project, and the professional staff is very qualified to execute the work. In HQ, we are prepared to continue providing guidance and technical support. ECA has recently completed several complex projects successfully, reflecting their professionalism.
2. There have been significant delays during the design process, caused by scope creep, additional security concerns and administrative adjustments. The project was tendered last Fall. The proposals from the contractors were significantly over the budget.
3. In order to avoid lengthy delays in a new tender process, we have executed a creative procurement approach, within the rules of the Organization. We have informed the qualified contractors of the funds available, and asked them to provide us with the building that they can build for us for that price, within the overall design that we had provided. This process has resulted in viable construction proposals, which will serve as the basis for negotiations that will hopefully lead to contract signing by early April. Construction activity will then commence by May or June of 2009.

#### UNON NOF

1. The project has moved forward well – proposals for construction have been received and their evaluation is at an advanced stage.
2. I visited recent construction projects in the UNON compound, including the upgrades to the Conference Center, the PACT installation, the Recreation building and the CMFF project (construction underway). That tour, plus the positive preliminary results of the bidding process reflect that there is a high level of professionalism in the UNON facilities team.
4. The NOF project has been designed to incorporate many green features. In recent months, it has been determined that UNEP would move into the facility. This decision has appropriately “raised the bar”, and the goal now is to achieve a “carbon neutral” building. This goal is being explored, but will likely require additional funding strategies.
5. There has been a failure to maintain an appropriate level of communication between the NOF project team and senior UNON management.
6. The next several weeks, until a construction contract is in place, are critical. We established a target date for the completion of the procurement action by the end of March. This target is ambitious, but achievable.

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7. A weekly VTC/conference call involving all levels of UNON management has been established to keep all parties informed on the status of the project. I chaired the first VTC last Thursday and am satisfied that the project can now rapidly move to construction.

A handwritten signature in dark ink, appearing to read 'Michael Adlerstein', with a stylized flourish extending to the right.

Michael Adlerstein  
24 February 2009

cc: Ms. Kane