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PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981

Accommodation at the Vienna International Centre

Twenty-ninth report of the Advisory Committee on Administrative and
Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report by the Secretary-General on accommodation at the Vienna International Centre (A/C.5/35/81 and Corr.1). The report is divided into two sections: Section I highlights the developments that have taken place since last year; Section II contains revised estimates for the 1980-1981 biennium of the costs of operating the Centre. During its consideration of the Secretary-General's report, the Advisory Committee took into account information on the operation of the Centre received from the International Atomic Energy Agency (IAEA), the United Nations Industrial Development Organization (UNIDO) and the United Nations Office at Vienna when the Committee visited Vienna from 23 to 27 June 1980.

Developments in 1980

2. The Committee notes from paragraph 3 of the Secretary-General's report that, as at 31 October 1980, a total of 3,759 persons were occupying the Centre's premises. The composition of this figure is as follows:

United Nations	287
UNIDO	1,308
United Nations Relief and Works Agency for Palestine Refugees in the Near East	253
IAEA	1,427
Other agencies, contractors and commercial organizations	484

3. Further, the Advisory Committee notes from paragraph 4 of the Secretary-General's report that the posts assigned to the secretariat of the World Conference on the United Nations Decade for Women, as well as those belonging to the Crime Prevention and Criminal Justice Branch of the Centre for Social Development and Humanitarian Affairs, have been transferred to Vienna from New York in the latter part of 1980. In addition, other United Nations-related organizations have moved into the Centre's premises, including the representative to Austria of the Office of the United Nations High Commissioner for Refugees as well as a small group of officials of the International Labour Organisation.

4. Paragraphs 5 to 7 of the Secretary-General's report refer to negotiations which have taken place during the past year between the Austrian authorities, the United Nations and IAEA. The Advisory Committee notes that final discussions on the exact wording of two agreements and a protocol are now in progress, and that it is expected that the documents will be ready for signature by the end of the year. The texts of the draft agreements and the protocol have been submitted to the Advisory Committee by the Secretary-General for comments and observations. The Committee has decided, however, to withhold comment until the final texts are available, and accordingly requests the Secretary-General to submit these texts to it before they are signed.

5. Paragraphs 8 to 10 of the Secretary-General's report provide information on developments during the past year related to the tripartite memorandum of understanding. The Committee notes from paragraph 10 of the Secretary-General's report that the estimates of income in that report reflect the current formula of cost-sharing.

6. As can be seen from paragraph 11 of the Secretary-General's report, the United Nations Office at Vienna has been established as of 1 January 1980. The Committee notes the statement in paragraph 12 that:

"... it is intended to entrust the Office with liaison and representation functions, serving directly United Nations needs, including diplomatic depository functions. This, however, should by no means affect the present position of the Executive Director of UNIDO, who, as the highest ranking United Nations official in Vienna, represents the Secretary-General in Vienna. In this function he might be effectively assisted by the United Nations Office."

7. Conference services are discussed in paragraph 13 of the Secretary-General's report. The Committee notes that it has been decided that UNIDO will be responsible, on an experimental basis, for one year from 1 January 1981, for the servicing of United Nations conferences in Vienna. As stated by the Secretary-General, these arrangements will be subject to further review towards the end of 1981 (see paras. 33 to 35).

8. The Advisory Committee notes the information on the United Nations Postal Administration (UNPA), guided lecture tours and supporting community services given in paragraphs 14 to 20 of the Secretary-General's report.

Review and analysis of requirements

9. The Secretary-General states in paragraph 21 of his report that

"The proposed initial programme budget for the biennium 1980-1981 1/ contained, in respect of the VIC, estimates which, in many cases, were of a preliminary nature. Revised estimates, 2/ on the basis of experience gained in the first few months of operation of the Centre, were subsequently submitted to the General Assembly at its thirty-fourth session. They were presented in the form of additions to the information previously submitted in the proposed programme budget for the biennium 1980-1981, with the exception of section 28M (Administrative Services, Vienna), where a new presentation was made in support of the totality of the estimate."

10. The Advisory Committee, in its consideration of the revised estimates, 3/ expressed the opinion that a thorough review and analysis of actual requirements for the Vienna International Centre should take place at the thirty-fifth session of the Assembly, by which time more than a year of experience would have been gained in operating the Centre. The following table provides a summary of what has been appropriated thus far in respect of the Centre and what is proposed for the remainder of the 1980-1981 biennium:

1/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 6 (A/34/6).

2/ A/C.5/34/48.

3/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 7A (A/34/7/Add.1-28, Add.26).

Estimates in respect of the Vienna International Centre

<u>Section</u>	<u>Initial appropriation</u>	<u>Supplementary appropriation</u>	<u>Supplementary estimates</u>	<u>Total</u>
	(A/34/6, A/34/7) \$	(A/C.5/34/48, A/34/7/Add.26) \$	(A/C.5/35/81) \$	1980-1981 \$
17 UNIDO (Public Information)	98 700	80 000	188 300	367 000
28M Administrative Services	11 174 400 <u>a/</u>	4 900 000 <u>b/</u>	17 558 700 <u>c/</u>	33 633 100
29C Conference Services	245 600 <u>d/</u>	-	1 673 000 <u>e/</u>	1 918 600
29F Library	-	212 000 <u>b/</u>	77 000 <u>c/</u>	289 000
32 Major Maintenance	-	33 400	-	33 400
Expenditure sections	11 518 700	5 225 400	19 497 000	36 241 100
Income section 2	1 925 500 <u>a/</u>	3 500 000 <u>b/</u>	5 309 300 <u>c/</u>	10 734 800
Income section 3* (Garage operation)	-	80 000	(57 000)	23 000
Income section*	1 925 500	3 580 000	5 252 300	10 757 800
Total	9 593 200	1 645 400	14 244 700	25 483 300

* Exclusive of UNPA and Visitors' Service in respect of which estimates of income were initially approved for the entire biennium 1980-1981.

a/ Appropriation for 1980 on same basis as initial proposals made for 1979, prior to review based on experience.

b/ Additional appropriation for 1980 only.

c/ Updated estimate for 1980 and full provision for 1981.

d/ Infrastructure estimate for the biennium.

e/ Meetings costs for 1981.

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11. In the paragraphs below the Advisory Committee submits its comments and recommendations on the Secretary-General's estimates of requirements for the Vienna International Centre for 1980-1981. The Advisory Committee notes from paragraph 23 of the Secretary-General's report that all estimates are shown at the same rate of exchange as was used in the original estimates, namely, Austrian schillings 14.00 to United States \$1.00. An adjustment to reflect the rates in effect in 1980 and a projection of the latest rate for 1981 will be made in the context of the first performance report.

Section 17 - UNIDO

12. An additional appropriation of \$188,300 is requested by the Secretary-General under section 17 of the programme budget for 1980-1981 as follows:

Established posts	\$ 109,500
Common staff costs	33,800
Public information supplies	15,000
Miscellaneous services	30,000
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	\$ 188,300
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13. The Secretary-General indicates, in paragraphs 24 and 25 of his report, that the request for established posts relates to the conversion of three posts approved for 1980 on a temporary assistance basis as well as the creation of two new general service established posts for technicians. The Advisory Committee has no objection to the Secretary-General's request.

Section 28M - Administrative Services, Vienna

14. As can be seen from the table in paragraph 10 above, a total of \$16,074,400 has already been appropriated under this section for 1980 only. It is now estimated that \$14,924,500 of this amount will be needed for 1980. The balance of the 1980 appropriation is therefore available as a partial offset against the Secretary-General's estimate of \$18,708,600 for 1981, leaving a total net estimated additional requirement of \$17,558,700 as follows:

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	<u>1980</u> <u>appropriations a/</u>	<u>1980</u> <u>revised</u> <u>estimates</u>	<u>Balance</u> <u>available</u> <u>for 1981</u>	<u>1981</u> <u>estimates</u>	<u>Total</u> <u>additional</u> <u>estimated</u> <u>require-</u> <u>ment 1981</u>
	US\$000	US\$000	US\$000	US\$000	US\$000
1. Services provided by the United Nations					
(a) United Nations Office at Vienna	221.5	206.5	15.0	336.5	321.5
(b) Security and Safety Service	1 446.1	1 274.1	172.0	1 760.7	1 588.7
2. Services provided by UNIDO					
(a) Finance and personnel	423.8	416.7	7.1	503.9	496.8
(b) Buildings Management Service	1 448.6	1 624.3	(175.7)	2 017.2	2 192.9
(c) Other general services	399.8	389.1	10.7	656.9	646.2
(d) Common services	12 134.6	11 013.8	1 120.8	13 433.4	12 312.6
Total	16 074.4	14 924.5	1 149.9	18 708.6	17 558.7

a/ The figures shown under the column "1980 appropriations" reflect the Secretary-General's interpretation of the breakdown of the lump sum approved by the General Assembly.

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15. As can be seen from table 2 of his report, the Secretary-General is requesting a total of 241 posts for 1981, a net increase of 15 over what has been provided for 1980. In terms of established posts, however, the increase would be 92, offset by a reduction of 77 temporary assistance posts.

16. Requirements for the United Nations Office at Vienna are discussed in paragraphs 27 to 30 of the Secretary-General's report. In tables 3-4, the Secretary-General shows an additional estimate of \$321,500 for 1980-1981 (see table in para. 14 above); he requests the establishment of eight new posts, six of which would be through conversion of temporary assistance.

17. As indicated in paragraph 29 of the Secretary-General's report, one of the conversions would also involve the upgrading of the D-1 temporary assistance post of head of the United Nations Office at Vienna to a permanent post at the D-2 level. The Advisory Committee recommends acceptance of this proposal. The Committee also recommends acceptance of the Secretary-General's request for an additional P-5 post for the reasons given in paragraph 29 (a) of his report. However, the Committee recommends that the additional General Service post requested not be approved with a consequential reduction in the estimate of \$14,100.

18. The Security and Safety Service at Vienna is discussed in paragraphs 31 to 35 of the Secretary-General's report. As can be seen from tables 5 and 6 of his report, the Secretary-General's estimates of additional requirements amount to \$1,588,700 for 1980-1981 (see table in para. 14 above) and include the establishment of 34 new posts, 26 of which would be through conversion of temporary assistance.

19. During its visit to Vienna in the spring of 1980, the Advisory Committee inquired into the security requirements at Vienna. It was informed, inter alia, that between January and May 1980 overtime averaged over 2,000 hours a month. Under the circumstances, the Advisory Committee is in favour of the Secretary-General's proposals in paragraphs 32 and 34 of his report. The Committee notes from paragraph 33 of the Secretary-General's report that the addition of the requested staff would reduce the need for overtime to approximately 500 hours per month.

20. As shown in the table in paragraph 14 above, services provided by UNIDO include (a) finance and personnel, (b) Buildings Management Service, (c) other general services and (d) common services. Requirements for finance and personnel are dealt with in tables 7 and 8 and paragraphs 36 to 43 of the Secretary-General's report. According to the Secretary-General, an additional amount of \$496,800 would be required for 1980-1981 (see table in para. 14 above). The Secretary-General requests the establishment of 12 new posts, 11 of which would be through conversion of temporary assistance. In view of the information provided in paragraph 36 of the Secretary-General's report, the Committee recommends acceptance of the Secretary-General's proposal in this area.

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21. The UNIDO Buildings Management Service is discussed in tables 9 and 10 and paragraphs 44 to 51 of the Secretary-General's report, where he estimates that additional requirements amount to \$2,192,900 (see table in para. 14), and requests the establishment of seven new posts through conversion of temporary assistance. The Secretary-General also requests, in paragraph 48 of his report, that "the two General Service and 14 Manual Worker posts added during 1980 continue on a temporary assistance basis in 1981 ...". The Advisory Committee requested information on this question during its visit to Vienna and was informed that, if more staff resources were made available, Buildings Management Service would be able to undertake more efficiently and economically a number of the tasks which it was originally planned to contract out. This conclusion was based on a review conducted in May 1980 jointly by representatives of the Budget Division, New York and UNIDO General Services Section. The review demonstrated that the employment of additional General Service staff and manual workers during the second half of 1980 and in 1981 would cost less than if the services were provided under contract. It was felt that such an arrangement would also increase operational flexibility in the daily running of the premises and make it possible to reduce the backlog of work. United Nations Headquarters subsequently approved the transfer of funds between objects of expenditure to give effect to the proposed change. In this connexion, the Committee has been informed that the 1980 revised estimate for rental and maintenance of premises (see table 13 of the Secretary-General's report) reflects the reduction in contractual maintenance.

22. The Advisory Committee recommends approval of the additional amount of \$2,192,900 requested for the Buildings Management Service.

23. Estimates for other general services provided by UNIDO are given in tables 11 and 12 and paragraphs 52 to 61 of the Secretary-General's report. As indicated, the Secretary-General requests an additional amount of \$646,200 (see table in para. 14) and the establishment of 31 new posts, 27 of which would be through conversion of temporary assistance.

24. The Committee notes from paragraph 54 of the Secretary-General's report that long-distance telephone calls from Vienna have increased approximately 40 per cent. The Committee trusts that steps are being taken to institute strict controls in this area.

25. The Committee has no objection to the proposed conversion to an established basis of the 27 posts currently financed from temporary assistance. The Committee recommends, however, that the request for new posts (one P-2, three General Services) be considered in the context of the proposed programme budget for 1982-1983, with a consequential reduction of \$62,800 in the Secretary-General's request for 1981.

26. Estimates for common services provided by UNIDO are contained in table 13 and paragraphs 62 to 73 of the Secretary-General's report. As can be seen from the table in paragraph 14 above, the Secretary-General is requesting an additional amount of \$12,312,600 for 1980-1981.

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27. The Committee notes from paragraph 63 of the Secretary-General's report that expenditures on the maintenance of premises in 1980 are likely to be less than the appropriation, reflecting the decreased use of outside contractors (see para. 21 above). The increase for 1981 is attributable to minor alterations to premises, supplies for maintenance of premises and elevator maintenance and operation, but a reduction is foreseen for contractual services for operation and maintenance.

28. The total 1980-1981 estimate for utilities is more than \$8 million. This was an area of particular concern to the Committee during its visit to Vienna. At that time the Committee was informed that a total area of 370,000 square metres of the Centre's complex must be air-conditioned throughout the year. The Committee also found that windows could not be opened - thus air conditioning (cooling/heating) is necessary even during periods of mild weather. The Committee suggested that a study be made of possible modifications to the windows so that they could be opened. In this connexion, the Committee notes paragraph 50 of the Secretary-General's report which states that such a study is to be carried out.

29. Another reason for the high costs of utilities at the Centre is that the ratio of net usable to gross space at the Centre is approximately 50 per cent, whereas the ratio in an average office building can be almost 75 per cent. During its visit to Vienna, the Committee suggested that attempts be made to effect modifications which would permit a more efficient utilization of space.

30. During its visit to Vienna, the Committee also inquired into the transfer station for utilities, which is referred to in paragraph 66 of the Secretary-General's report. The Committee was informed that the transfer station, which is owned and run by the Austrian authorities, currently serves only the Centre, but that in future it will also serve the Austrian Conference Centre now being built. Under the present arrangements, the international organizations pay a fee for the operation of the transfer station, plus a cost per unit of heated/cooled air supplied; this fee in addition to the municipal utility charges, includes an element for major repairs of the mechanical equipment used at the transfer station.

31. As a result of its visit to Vienna, the Advisory Committee is convinced that prudent management and strict control should lead to significant economies in common services, especially in cleaning services, communications, miscellaneous services, supplies and materials and furniture and equipment. Accordingly, the Committee recommends that the estimated additional requirement for 1980-1981 be reduced by \$1 million to \$11.3 million.

Section 29C - Conference Services, Vienna

32. The Secretary-General states in paragraphs 74 and 82 of his report that:

"74. At its thirty-fourth session the General Assembly was informed that, on an experimental basis, UNIDO would assume responsibility for the provision of conference services to United Nations bodies whose established headquarters had been transferred to Vienna, and that the arrangement was subject to review after one year of actual working experience from 1 January 1980 to

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31 December 1980. The Department of Conference Services, New York, and the United Nations Office at Geneva were to provide appropriate back-stopping to UNIDO Conference Services, which was expected to involve, inter alia, assignment of staff members from Geneva or New York to service meetings in Vienna. The responsibility for financial management and controls was to rest with the United Nations Office at Geneva. 4/

"82. Under the new experimental arrangement for a further year, from 1 January 1981, full responsibility is transferred to UNIDO for the servicing of all United Nations conferences and meetings held at Vienna. It is envisaged that various changes in organizational structure and relationships will be desirable in the longer term, and it is the intention of the Secretary-General to make recommendations in this connexion at the thirty-sixth session of the General Assembly."

In the meantime, the Secretary-General proposes to strengthen the staff resources of UNIDO Conference Service for 1981 entirely on a temporary assistance basis.

33. As can be seen from paragraphs 83 to 88 of the Secretary-General's report, he is requesting an additional amount of \$1,673,000 for 1980-1981, all of which, except for \$23,000 for overtime and night differential, pertains to temporary assistance for meetings.

34. As can be seen from paragraph 10 above, an amount of \$245,600 has already been appropriated for 1980-1981 under section 29C for the conference servicing infrastructure. The Committee was informed during its visit to Vienna that a sub-allotment was issued to Vienna in 1980 out of the appropriations for section 29. Since the same thing can be done in 1981, the Committee recommends that the experimental arrangements decided upon by the Secretary-General be carried out from within available resources under section 29. The Committee intends to review total conference servicing requirements under sections 29A, B and C when it considers the proposed programme budget for 1982-1983. The experience gained and data compiled as the result of the experimental arrangement at Vienna should prove useful in the evaluation of what permanent establishment, if any, should be authorized for Vienna.

Section 29F - Library Services, Vienna

35. As indicated in paragraph 90 of the Secretary-General's report, it is estimated that for 1981 the United Nations share of the joint library services operated by IAEA would be \$149,500, as follows: \$90,900 for staff resources, \$40,200 for library books and supplies, and \$20,300 for microfilming and facilities. The 1981 estimate, however, can be partially offset by the projected under-expenditure of \$72,500 for 1980 (see para. 89 of the Secretary-General's report). This leaves a net additional estimated requirement of \$77,000 for 1980-1981; the Advisory Committee recommends approval of this amount.

4/ A/C.5/34/48, sect. I, paras. 46 and 47.

Section 31 and Income section 1 - Staff assessment

36. The Advisory Committee notes from paragraphs 92 and 93 of the Secretary-General's report that, on the basis of his requests for posts, an additional appropriation of \$1,129,500 would be required for staff assessment to be offset by the same amount in income from Staff assessment. The effect of the Advisory Committee's recommendations in paragraphs 17 and 25 above would be to reduce these figures to \$1,111,500.

Income section 2 - General income

37. The Secretary-General indicates that the various estimates and requests outlined by him in his report would result in a consequential increase of \$5,309,300 in income under Income section 2 of the programme budget for 1980-1981 (see paras. 94 and 95 of the Secretary-General's report). As a result of the Advisory Committee's recommendation in paragraph 31 above, this estimate would be reduced to \$5,109,300.

Income section 3 - Revenue-producing activities

38. The Secretary-General states in paragraphs 96 to 98 of his report that a net revenue of \$80,000 was estimated for 1980 in respect of the garage operations. On the basis of the experience acquired thus far it is expected that the net revenue will amount to only \$23,000.

39. For 1981, the Secretary-General estimates gross revenue at \$123,300, against which he proposes to charge one clerical post for issuing permits and other administrative tasks and four manual worker posts, together with a provision for overtime and temporary assistance, as well as general operating expenses. The net income from the garage operation in 1981 would therefore be as follows:

	\$	\$
Revenue from parking fees		123,300
<u>Less:</u>		
Salaries and common staff costs	87,300	
Overtime	14,500	
Temporary assistance	3,600	
Electricity	14,300	
Insurance	3,600	123,300
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Net income		-
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On the basis of the Secretary-General's estimates, the provision under income section 3 would therefore need to be reduced by \$57,000.

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Recapitulation

40. The recommendations and observations made by the Advisory Committee in the paragraphs above would result in a net additional requirement of \$11,694,800 which would be distributed among the sections of the programme budget for 1980-1981 as follows:

		\$
Section 17.	UNIDO	188,300
Section 28M.	Administrative Services, Vienna	16,481,800
Section 29C.	Conference Services, Vienna	-
Section 29F.	Library Services, Vienna	77,000
Section 31.	Staff assessment	1,111,500
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		17,858,600

Less:

		\$
Income section 1.	Income from staff assessment	1,111,500
Income section 2.	General income	5,109,300
Income section 3.	Revenue-producing activities	(57,000)
		<hr/>
		6,163,800
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		11,694,800
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