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BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1967

PROPOSED EXTENSION OF CONFERENCE FACILITIES AT THE
PALAIS DES NATIONS

Fifteenth report of the Advisory Committee on
Administrative and Budgetary Questions to the
General Assembly at its twenty-first session

I. INTRODUCTION

1. In its seventh report to the General Assembly at its twenty-first session (A/6385), the Advisory Committee on Administrative and Budgetary Questions submitted its observations on the Secretary-General's interim report (A/C.5/1054) on the proposed extension of the conference facilities at the Palais des Nations, Geneva.^{1/}
2. During its consideration of the Secretary-General's report in Geneva from 28 June to 8 July 1966, the Advisory Committee had the opportunity of examining the three different designs and plans for the proposed extension and it paid particular attention to the final design unanimously selected by the eminent Committee of Architects for submission to the Assembly. In the light of its examination and the observations contained in paragraphs 26 to 33 of its report (A/6385), and on the basis of the provisional proposals, the Advisory Committee gave approval to the Secretary-General to utilize the remaining half of the total credit of \$150,000 authorized by the General Assembly under the terms of

^{1/} For additional background on this subject, see A/C.5/982, A/C.5/1009, A/C.5/1040, and A/5709, A/5799, A/6137.

resolution 2125 (XX), of 21 December 1965, for the preparation and finalizing of the plans and cost estimates for the proposed extension to the Palais des Nations, for submission to the General Assembly at its current session.

3. The Advisory Committee indicated that the Secretary-General's final submission should be made available to the General Assembly not later than October 1966, and that the report should provide full details of the physical aspects of the plan and include all foreseeable cost elements related thereto, to facilitate the Assembly's consideration of this important project. The Secretary-General's report to the General Assembly is contained in document A/C.5/1076.

II. DESCRIPTION OF THE PLANNED EXTENSION

4. In paragraph 21 of its earlier report (A/6385), the Advisory Committee gave a general indication of the conference and ancillary facilities proposed in the planned extension. The report under review (A/C.5/1076) gives a more detailed description of the total facilities, and while there is no major change in basic requirements, subsequent proposals for a relocation of some of the facilities has resulted in an increase of the total volume of work to be undertaken.

5. As now conceived, the proposed extension would be separated from the present Palais by a space of some 20 metres (65 feet), and located north-east of the existing premises (Lausanne side). This site was chosen to provide convenient, efficient and relatively short communications with the present buildings, to permit grouping of the four large conference rooms in as compact a space as possible, at the same time providing more committee rooms and related facilities immediately adjacent to the larger rooms with easy accessibility, to preserve the unique setting of the Palais and balance the corresponding line of the existing Secretariat building, and to provide the new extension with convenient access roads and adequate parking space.

6. The Secretary-General advises that some fifteen to twenty studies were made to satisfy the desired conditions before the final decision was taken and that the choice represents the best possible solution. The Committee understands that the Committee of Architects in September 1966 gave its general agreement to the revised proposals as regards the main lines of the structure and the interior facilities, and that final approval of the façade and other outstanding matters is expected shortly.

7. In order to assist the General Assembly in its consideration of the Secretary-General's present proposal, the Advisory Committee gives below a brief description of those facilities and services not previously covered in paragraph 21 of its seventh report to the Assembly at its present session (A/6385):

(a) Restaurant and cafeteria

The initial proposal and estimates made provision for a restaurant in the new building. However, subsequent studies and consultations indicated that it would be preferable to enlarge the existing restaurant to more than double its present capacity, thereby accommodating approximately 400 instead of 170 persons. This would be accomplished by incorporating the existing dining area with the adjoining terraces at the top of the Assembly building. Similarly, the plans now provide for the enlargement of the cafeteria in its present location, by moving the kitchen and offices and incorporating the existing passage areas.

(b) Air-conditioning

While air-conditioning is considered necessary for such areas as conference rooms and their booths, offices and the basements, the question of extending this facility to other parts of the new building is being examined with a view to reducing installation costs and of keeping future operating costs at as low a level as possible. In addition, it is proposed to insulate the outside walls of the structure against heat from the sun, thereby reducing the amount of refrigeration needed to air-condition the lobbies of the conference rooms.

(c) Parking facilities

The plan as submitted provides 500 under-cover parking spaces adjacent to the new building to be partly concealed by landscaping. Thus the car parks in the Palais grounds will provide space for a total of 1,500 vehicles. The Advisory Committee understands that the final decision on the location and nature of the new parking facility, i.e. whether to instal it under-cover or underground, will be taken in 1967 when more definitive cost estimates are available.

(d) Means of communication

The revised plans provide access to the new building at several levels, including a bridge at the third-floor level of the Palais, in order to have direct communication with the Assembly Hall, all the conference rooms on the main gallery and the new rooms XIX and XX. It is also considered necessary to provide communications at each of the lower levels corresponding to the first floor, ground floor and lower ground floor of the Palais, by means of access to room XIV and staircase number 17 on the first floor, and for a tunnel on two levels under the Cour d'honneur, connecting the new building with the library building, the Assembly building and the council room building. The upper level of the tunnel is intended for general use and the lower level for service traffic.

(e) Office space

The original plans envisaged an estimated 300 new offices partly for the permanent language services and partly for the secretariat services attached to each conference. The present more detailed plans indicate a total floor space requirement of about 4,600 square metres (49,000 square feet) for these rooms (conference offices and space for the language and stenographic services). Some seventy of the new offices, mainly on the fourth floor near the conference rooms, would be used during meetings by officers of the committees and the substantive servicing staff. The whole of the upper floor, corresponding to the fifth floor of the Palais, would be devoted to offices for the language services. The lower floor, which corresponds to the ground floor of the Palais, would accommodate the Press services, premises for documents reproduction, distribution and certain storage facilities.

III. COST AND FINANCING OF THE PROJECT

8. At its Geneva meetings the Advisory Committee was informed that the total estimated cost of the proposed extension would amount to about \$12.5 million. The estimate was based on the level of prices prevailing at that time and excluded provision for any possible future cost increases. The costs as now estimated total

some \$13.6 million for the complete project, including architects' and engineers' fees and an allowance for administrative costs. This amount has been based on 1966 price levels and excludes any provision for contingencies such as increases in the cost of labour and materials between now and 1970. Although the need of such increases cannot be determined with any precision at this time, the Secretary-General considers that an addition of about 10 per cent would not be unreasonable, bringing the over-all cost of the project to approximately \$15 million.

9. In its earlier report (A/6385), the Committee noted that the Swiss Federal Government was prepared to extend a loan of up to 65 million Swiss francs (approximately \$15 million) at 3 per cent interest, reimbursable over a ten-year period, to assist the United Nations, and that it had indicated its willingness to contribute a grant further to assist the Organization in the implementation of the proposed extension to the Palais des Nations. The present report of the Secretary-General confirms the offer by the Swiss Federal Government and the Canton of Geneva of a donation of 4 million Swiss francs (\$925,000) to cover part of the costs of the project.^{2/} Additionally, with the approval of the Swiss Federal Council, the Fondation des immeubles pour les organisations internationales is prepared to grant a loan as required up to a maximum of 61 million Swiss francs (\$14,120,000) at 3 per cent interest, reimbursable during a ten-year period, to assist in financing the project. Reimbursement of the loan would be made during the period 1972-1980 after the construction of the new building was completed.

10. Should the General Assembly approve the proposed extension, it is estimated that expenditures during the period 1967 to 1971 would be of the following order:

		\$
1967	-	1,000,000
1968	-	2,300,000
1969	-	5,000,000
1970	-	5,700,000
1971	-	1,000,000

The Secretary-General recommends that these costs be met during the above period partly by the donation of the Swiss Federal Government and the Republic and Canton

^{2/} A/C.5/1074, para. 11.

of Geneva (\$925,000), partly by budgetary appropriations in annual amounts of \$1 million (total \$5 million), and partly by a loan from the Fondation des immeubles pour les organisations internationales (\$9,075,000).

IV. ADVISORY COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

11. Throughout its examination of the Secretary-General's proposals the Advisory Committee has been aware of the need of additional conference facilities at the Palais des Nations and has proceeded on the understanding that the Secretary-General and the executive heads of the specialized agencies are in agreement that the Palais will continue to be the focal point for international conference activity in Geneva. It has been indicated to the Committee that whereas several of the agencies have either constructed new premises or are contemplating building projects in Geneva, they all intend to continue to use the conference facilities of the Palais for their major conferences. Thus, the Committee has constantly borne in mind the combined needs, as they are at present known, and the anticipated short-term and future long-term needs of all the organizations based in Geneva.

12. Additionally, as noted in paragraph 27 of its earlier report (A/6385), the Advisory Committee gave particular attention to the General Assembly's decision to establish the headquarters of the United Nations Conference on Trade and Development in Geneva, which has added materially to the conference and meetings programme at the Palais. It should also be noted that the Geneva facilities have been used in the past, and may well be called upon in the future, to accommodate large conferences such as those on disarmament and other major conferences, not excluding the possibility of holding a future General Assembly session at Geneva. Acknowledging all these requirements and the increased conference activity foreseen by the Secretary-General for future years, together with the trend towards greater participation, more complex and frequent meetings and conferences requested by Member States at Geneva, the Committee concludes that additional conference facilities and ancillary services will be needed at the Palais.

13. The Advisory Committee has examined the more detailed proposals and estimates of the Secretary-General (A/C.5/1076) for the extension of the Palais des Nations as compared with the earlier submission contained in document A/C.5/1054, and has taken into consideration the revised and new elements envisaged by him as a result

of the studies undertaken during the summer months and of the recommendations and plans prepared by the architects. In this connexion the Committee notes that a number of proposals were considered and rejected by the architects before the final decision was made, and that the ultimate choice, which is the result of a series of compromises, constitutes the best possible solution.

14. As outlined in paragraph 7 above, the present proposals of the Secretary-General include certain revisions to the original plans considered by the Advisory Committee at its summer session in Geneva. One other matter of interest is the proposal that the new building would be separated from the present Palais by a space of some twenty metres (sixty-five feet), whereas the provisional plans called for a connexion between the new extension and the existing structure. This has resulted in the need for a bridge at the third floor level of the Palais. The Secretary-General has mentioned the aesthetic problems this raises but he feels that the functional necessity of direct communication with the Palais at the conference levels must be recognized.

15. Comparison of the provisional and more detailed plans for the main conference rooms and ancillary services and facilities shows that there is no change in the large conference room, numbered XX, with a 900-person seating capacity. Neither is there any basic change in the dimensions and seating capacity (610 to 630) of the three next largest rooms (XVII, XVIII and XIX), although for functional reasons it has been found necessary to propose their relocation to ensure maximum utility and efficiency. It should be noted, however, that the original plans provided for the conversion of two of those rooms into one large conference room, thereby almost doubling the seating capacity. The characteristics of the six smaller rooms (XXI to XXVI), each of which provide seating accommodation for 152 people, remain unchanged, and rooms XXI and XXII can be converted into a single room to seat 340 people. Originally, these six rooms were designed to be arranged in pairs with movable partitions which would permit their conversion to three larger rooms, each seating about 300 persons.

16. The Advisory Committee has noted the very general proposal for the addition of about 300 new offices to accommodate in part the officers of commissions and committees and their substantive staff, and the permanent language services staff and other services as outlined in paragraph 7 (e) above. It considers that a more

precise appraisal of future office needs should be made, taking into account the projected needs in 1970, the number of existing offices which will be released by transfer of the language services staff from the present Palais to the new building, and the accommodation in the Palais of those staff and services at present located in rented premises outside the Palais des Nations.

17. The Advisory Committee has already mentioned in paragraph 7 (c) above that the final decision on the location and nature of the new parking facility will be taken in 1967 when more definitive cost estimates are available concerning its installation under cover or underground. It was indicated to the Committee that preliminary estimates revealed that the installation underground of adequate parking accommodation would approximately double the cost of surface under-cover parking. The Committee assumes that, in arriving at a final decision on this matter, the Secretary-General will take fully into account the total estimated expenditure involved, in addition to aesthetic and other considerations.

18. In paragraphs 8 to 10 above the Advisory Committee has given an indication of the costs and the suggested financing of the proposed extension to the Palais des Nations. In so far as the estimated costs are concerned, the Committee appreciates the Secretary-General's difficulty in presenting precise and firm estimates at this time. Although the Committee does not doubt the validity of the estimates, it is not in a position to make meaningful observations and recommendations on these global estimates. However, the Committee would look for some savings in the total amount of \$15 million, following the preparation of more definitive and itemized estimates and bearing in mind the generous provision for contingencies.

19. As regards the financing of the proposed extension, the Advisory Committee wishes to acknowledge the generous donation of 4 million Swiss francs (\$925,000) by the Swiss Federal Government and the Canton of Geneva, and the offer of a loan from the Fondation des immeubles pour les organisations internationales of up to 61 million Swiss francs (\$14,120,000) at 3 per cent interest, reimbursable over a ten-year period, to assist in financing the project. In this connexion, the Advisory Committee would recall that at its twentieth session, the General Assembly approved a programme of major maintenance and improvements for the Palais commencing in 1966 at a total cost of \$4,894,200, and authorized the Secretary-General to accept the generous offer of the Swiss Federal Government of an

interest-free loan of 8.5 million Swiss francs (\$1,967,000) reimbursable over the five-year period 1970-1974, and taking account of such repayment period decided that the amounts to be met from the budget estimates in the successive years 1967-1974, should be approximately equal, i.e., \$612,000 annually. With the aim of maintaining annual budgetary appropriations at similar levels and of keeping interest charges for the new loan as low as possible, the Secretary-General recommends that annual budgetary amounts of \$1 million should be continued until the year 1974 for repayment of the new loan and interest charges and thereafter be increased to \$1.5 million. The debt to the Fondation des immeubles pour les organisations internationales would therefore be liquidated within a nine-year period with a final instalment to be made in 1980. Under such arrangements financing of the project would be as follows:

<u>Year</u>	<u>Estimated Requirements</u>	<u>Budget</u>	<u>Gift</u>	<u>Loan</u>
	\$	\$	\$	\$
1967	1,000,000	1,000,000	-	-
1968	2,300,000	1,000,000	925,000	375,000
1969	5,000,000	1,000,000	-	4,000,000
1970	5,700,000	1,000,000	-	4,700,000
1971	1,000,000	1,000,000	-	-
	<u>15,000,000</u>	<u>5,000,000</u>	<u>925,000</u>	<u>9,075,000</u>

20. Repayment of the loan at 3 per cent interest would result in the following charges to the regular budget of the United Nations in subsequent years:

1972-1974 (annual amounts of \$1 million)	\$3,000,000
1975-1979 (annual amounts of \$1.5 million)	7,500,000
1980	495,000 (approximate)
	<u>\$10,995,000</u>

21. Having examined the revised and more descriptive proposals of the Secretary-General for an extension of the conference and meetings facilities at the Palais des Nations, and bearing in mind its earlier on-site inspection of the existing facilities at Geneva, and the need for an expansion of such facilities to adequately

service the anticipated future conference and meetings programme, the Advisory Committee recommends that the General Assembly give favourable consideration to the Secretary-General's proposals contained in paragraph 14 of his report (A/C.5/1076).

22. According to the Secretary-General's proposals, should the General Assembly approve the project, it would be required to:

"(a) Authorize the Secretary-General to proceed with the plans for extension of the Palais des Nations within a maximum expenditure of \$15,000,000;

"(b) Authorize the Secretary-General to accept the offer of the Swiss authorities of a gift of 4 million Swiss francs (\$925,000) towards the cost of the project and to accept a loan, as required, at 3 per cent interest to assist in the financing and to be repayable in instalments within the period 1972 to 1980;

"(c) Decide to finance the programme in such a way that the amount to be met from the budget estimates in successive years over the period 1967 to 1980, shall be:

	\$
1967-1974	1,000,000
1975-1979	1,500,000
1980	495,000

"(d) Decide to establish a special account for which all funds made available for the extension of the Palais project would be deposited and to which the unexpended balance of the annual appropriations would automatically revert."

23. Given approval of the proposal by the General Assembly, the Advisory Committee suggests that the Secretary-General include in his annual report to the Assembly at its twenty-second session on the implementation of the programme of improvements and major maintenance of the Palais, a separate chapter on the progress made and the financial arrangements concluded with regard to the extension of the conference facilities at the Palais des Nations.

24. Adoption of the Secretary-General's proposal by the General Assembly would require an additional appropriation of \$1 million under section 7 (Buildings and improvements to premises) of the budget estimates for 1967.