



Fifteenth session
Agenda item 57

CONSTRUCTION OF THE UNITED NATIONS BUILDING IN
SANTIAGO, CHILE

Seventeenth report of the Advisory Committee on Administrative and Budgetary
Questions to the General Assembly at its fifteenth session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/4535) on the construction of the United Nations Building in Santiago, Chile.
2. In accordance with the terms of General Assembly resolution 1407 (XIV) of 1 December 1959, the Secretary-General kept the Advisory Committee informed, during the course of the present year, of developments relating to the project. Thus the Committee had occasion to note, in paragraph 74 of its report on the 1961 budget estimates,^{1/} that the preparation of construction plans had been delayed for a number of reasons and that expenditures in 1959 and the first half of 1960 had, accordingly, been relatively small.
3. The Secretary-General's present report indicates that progress has since been made in respect of the necessary negotiations with the Chilean Government and the architectural competition for construction plans. The Advisory Committee is appreciative of the liberal attitude which the Chilean Government has taken towards the project from its very beginning.
4. As a result of the negotiations, a formal agreement has been entered into between the United Nations and the Chilean Government, covering a number of

^{1/} Official Records of the General Assembly, Fifteenth Session, Supplement No. 7 (A/4408).

obligations to be assumed by that Government. The public deed transferring the title of the site has been signed and the United Nations has taken possession of the land. Various tax exemptions have been authorized. The competition for the selection of the architect and of plans for the building has been held, although the final choice has yet to be made. The Secretary-General has also indicated that construction can be commenced by May 1961 and that the building can be completed by March 1963.

5. The Advisory Committee has inquired into certain technical aspects of the agreements referred to above, as well as the manner in which the architectural competition was conducted and the scope and quality of the response to it. The Committee notes that the provisions relating to taxation are covered in a variety of instruments none of which, however, lays down a specific procedure for giving effect to the several tax exemptions. The Committee understands that further negotiations are to be held with a view to clarifying such matters of detail as are still outstanding.

6. As regards the architectural competition, the Advisory Committee understands that, from a total of some forty entries, a specially constituted jury in Santiago has selected four which, together with the rejected plans, have been sent to Headquarters where a final choice will be made by the Secretary-General with the assistance of two noted architects.

7. In regard to the pattern of expenditure, the Advisory Committee is informed that of the amount of \$382,500 appropriated for 1960, some \$50,000 is likely to be obligated before the end of the year, leaving a balance of about \$332,500. The Secretary-General in his first report on the supplementary estimates for 1960 (A/4492, paras. 57 and 58), proposed that, notwithstanding financial regulations 4.2 and 4.3 which require unobligated appropriations to be surrendered, the balance of the 1960 appropriation for the Santiago building should remain available for obligation in 1961. On the recommendation of the Advisory Committee in paragraph 15 of its report on the first part of the supplementary estimates (A/4508), the Fifth Committee deferred its decision on this point, pending receipt and consideration of the Secretary-General's progress report on the building.

8. The Advisory Committee would recall that General Assembly resolution 1407 (XIV) provided that the total estimated cost of the building of \$1,550,000 would be met through budgetary appropriations of \$20,000 in 1959 and \$382,500 in each of the four years 1960 to 1963. The arrangement for appropriation by instalment was designed to ease the impact of the financial burden on Member States, particularly in view of the fact that it would be necessary to defray during the next few years similar expenses of some magnitude in respect of the modernization of the Palais des Nations and the imminent redesigning and expansion of facilities at Headquarters to accommodate new Member States. While some \$332,500 of the 1960 instalment may be unobligated by year-end, this is due to unforeseen delays in the plan for starting construction. It is now foreseen that the heavy construction work will be completed by early 1962 rather than during 1961; however, the related costs will need to be obligated at the time when the necessary contracts are signed and orders placed. The Advisory Committee is informed that the full amount of the unobligated 1960 instalment as well as the 1961 instalment of \$382,500 will therefore in all probability be required for obligation in the course of 1961. Accordingly the Advisory Committee sees advantage in maintaining the funds already available for this purpose through assessment and contribution under the 1960 budget.

9. In the light of the considerations set out in the preceeding paragraph, the Advisory Committee recommends the inclusion in the draft resolution on supplementary estimates for the financial year 1960, of the following paragraph, as proposed by the Secretary-General (A/4492, annex II):

"The General Assembly

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"Decides that notwithstanding the provisions of financial regulations 4.2 and 4.3, the appropriation of \$382,500 in respect of the United Nations building in Santiago, Chile, included under section 21, shall remain available for obligation during the financial year 1961."
