



Twenty-first session
Agenda item 74

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1967

Progress report on programme of improvements and
major maintenance of the Palais des Nations

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

1. The Advisory Committee on Administrative and Budgetary Questions has considered the Secretary-General's progress report (A/C.5/1075), on the programme of improvements and major maintenance of the Palais des Nations at Geneva, approved in principle by the General Assembly at its twentieth session,^{1/} subject to the submission by the Secretary-General of an annual review of the programme.
2. In approving the proposed programme,^{2/} the General Assembly also:
 - (a) 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;
 - (b) Authorized the Secretary-General, utilizing the proceeds of this loan, to go forward with the projects planned for implementation in 1966 as well as the preparation of plans and cost estimates for the proposed extension of the conference area; and
 - (c) Decided to provide for the financing of the programme in such a way that, taking account of the repayment of the loan over the years 1970-1974, the amounts to

^{1/} Official Records of the General Assembly, Twentieth Session, Annexes, agenda item 76, document A/6223.

^{2/} With the exception of the reorganization of the press and public services areas.

be provided for in the budget estimates in successive years over the period 1967-1974 should be approximately equal, i.e., of the order of \$611,775 annually.

3. Following the General Assembly's action, the Secretary-General initiated implementation of the programme in 1966, as set forth in annex A to document A/C.5/1040.^{3/} However, pending consideration by the General Assembly of the Secretary-General's proposals for an extension of the conference facilities and ancillary services at Geneva,^{4/} and the Advisory Committee's reports and recommendations thereon,^{5/} it was felt advisable to hold in abeyance certain of the projects scheduled for 1966 which might be affected by the proposed extension to the Palais.

4. In the Secretary-General's Progress Report (A/C.5/1075), under the heading "Improvements", the largest project deferred relates to the revamping of the press and public services area at an estimated cost of \$412,000. Other items postponed include the air-conditioning of the cafeteria (\$50,000), the additional grill bar (\$20,000), and the installation of a pneumatic tube between the language services and the documents reproduction area (\$15,000). In addition, as a result of the deferment to 1967 of part of the work planned in the Assembly Hall, actual costs in 1966 are likely to amount to \$30,000 instead of the \$54,000 originally envisaged.

5. All of the items included under "Major maintenance" for 1966 are being implemented with the exception of the relocation of the Narcotics Laboratory for which an expenditure of \$40,000 had been anticipated in 1966. Certain technical difficulties involved in its removal require further study. As regards the estimate of \$150,000 for 1966 relating to the renovation of the villas La Pelouse (\$75,000) and La Fenêtre (\$75,000), the restoration of the former was substantially completed at the end of June. As a result of providing first-floor living quarters in La Pelouse for the Secretary-General of the United Nations Conference on Trade and Development, plus a small conference room and ten offices on the ground floor, actual expenditures for this villa in 1966 amount to \$109,000, an increase of \$34,000 over the original estimate of \$75,000. The expenses incurred in respect of

^{3/} Official Records of the General Assembly, Twentieth Session, Annexes, agenda item 76, document A/C.5/1040.

^{4/} A/C.5/1054 and A/C.5/1076.

^{5/} A/6385 and A/6524.

the apartment and its furnishings will be recovered in the course of time in the form of rental paid. With respect to the villa La Fenêtre, the work has not yet been started and the major part of the project may be carried over to 1967. Additional costs of \$16,000 have been incurred owing to price increases in the purchase of simultaneous interpretation equipment in connexion with a number of improvement projects in the conference area of the Palais.

6. The total estimated cost of the projects to be deferred in the amount of \$224,000 is partly offset by the implementation in 1966 of certain projects originally scheduled for later years at an estimated cost of \$134,000. These relate to the transformation of the large area above the lobby of the Assembly Hall into a reading room and lounge for representatives and the necessary equipment therefor, (\$72,000); provision of window shades, radiator covers and draperies for room XVI (\$20,000); improvements in lighting arrangements in the Library (\$25,000); and the purchase of simultaneous interpretation equipment for room X (\$17,000). In most cases the work being undertaken bears a direct relationship to other projects in the same areas approved for 1966, and it was therefore considered expedient to advance these parts of the work programme.

7. The effect of these adjustments of the 1966 programme for improvements and major maintenance is summarized below:

	\$
Original estimate	1,184,000
Projects scheduled for later years now to be carried out in 1966	134,000
Increase in costs of projects	50,000
	1,368,000
<u>Less:</u>	
Projects deferred	224,000
	1,144,000

It is estimated that the cash requirements in 1966, to be financed from the loan made available by the Swiss Federal Government, will be from \$800,000 to \$1 million.

8. As regards the over-all costs of the programme, the Advisory Committee has noted that while local labour rates have shown some increase in 1965 and 1966, the competitive position in the building trades at Geneva has been such that construction costs have remained relatively stable. The Committee assumes that the Secretary-General will keep the situation under review in his annual progress reports to the General Assembly.

9. The Advisory Committee recognizes that the proposed extension of the conference facilities and ancillary services at Geneva calls for a careful appraisal and continuing review of the programme of improvements and major maintenance of the Palais des Nations. The Committee appreciates that the Secretary-General, as a matter of policy, considers each of the projects in the light of current developments and needs before executing the work.

10. While the Advisory Committee understands that it may be necessary to adjust the schedule of certain projects as the work progresses, it assumes that every effort will be made to follow as closely as possible the work programme set forth in annex A of document A/C.5/1040. In this connexion and in the light of the decision to be taken by the General Assembly at its twenty-first session concerning the proposed extension of the Palais des Nations, the Advisory Committee suggests that the Secretary-General might wish to include in his annual review of the programme for submission to the Assembly at its twenty-second session, a revised schedule of cost estimates distributed by years of the entire programme of improvements and major maintenance to the existing Palais des Nations, approved in principle by the General Assembly at its twentieth session.

11. Having reviewed the report on the programme of improvements and major maintenance of the Palais des Nations (A/C.5/1075), and noting that the revisions proposed in the scheduling of the work can be accommodated within the annual budget amounts approved by the General Assembly, the Advisory Committee considers that the Secretary-General should proceed with the implementation of the projects as envisaged by him, and submit a further progress report to the General Assembly at its twenty-second session.

12. The Advisory Committee's observations and recommendations on the Secretary-General's proposals^{6/} for the extension of the conference facilities at the Palais des Nations are contained in its seventh and fifteenth reports to the General Assembly at the current session.^{7/}

^{6/} A/C.5/1054 and A/C.5/1076.

^{7/} A/6385 and A/6524.