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### PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983

#### United Nations accommodation at Nairobi

#### Common services at the United Nations Centre, Nairobi

#### Fifteenth report of the Advisory Committee on Administrative and Budgetary Questions

1 The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on common services at the United Nations Centre, Nairobi (A/C.5/36/39) and on United Nations accommodation at Nairobi (A/C.5/36/57).

#### United Nations accommodation at Nairobi

2. In resolution 35/222 of 17 December 1980, the General Assembly approved a revised United Nations accommodation project for Nairobi, including the two major conference rooms as envisaged in the project approved by the Assembly in 1977, and the related catering, library and documentation facilities, within the total appropriation of 254,944,000 Kenyan shillings approved by the Assembly in 1979. The General Assembly requested the Secretary-General to proceed, without delay, with the construction and to submit a progress report to the Assembly at its thirty-sixth session and on an annual basis thereafter until the project was completed. The first progress report by the Secretary-General is contained in document A/C.5/36/57.

3. The revised project provides for a total of 27,315 square metres of net available space, of which 8,375 square metres is accounted for by existing temporary premises; the balance of 18,940 square metres represents new construction. In terms of usage, the total of 27,315 square metres would consist of 14,250 square metres of office accommodation, 9,143 square metres for common services facilities, and 3,922 square metres for conference and information facilities. In tables 1 and 2 of document A/C.5/36/57 the Secretary-General compares the revised project with the project as approved in 1979 and with the 1980

proposals. In paragraphs 12 and 13, the Secretary-General provides information on the alternative configurations of the conference rooms which would be obtained with the help of mobile sound-proof partitioning. The Advisory Committee notes the statement in paragraph 12 that it will be possible in this way to accommodate the opening and closing plenary sessions of the Governing Council of the United Nations Environment Programme (UNEP) and of the Commission on Human Settlements in the Gigiri complex instead of the Kenyatta Conference Centre.

4. In paragraph 20, the Secretary-General states that the total final cost of the project is now estimated at 269,581,300 Kenyan shillings, of which Kshs. 31,600,000 has already been spent (see A/C.5/36/57, para. 18). The balance of Kshs. 237,981,300 is the estimated cost of the proposed revised construction, including fees (A/C.5/36/57, table 3). The Secretary-General goes on to say that

"While the Executive Director of UNEP, on the professional advice of the architect and the quantity surveyor has provided the best possible cost estimates available, it should be emphasized that the actual costs will not be known until the tenders are received and the contract awarded in January 1982, the determining factor being the prevailing competitive prices within the construction industry during the tendering period."

5. In paragraph 24, the Secretary-General recommends that

"If tender prices to be submitted in January 1982 should differ substantially from current estimates [he should] proceed by deferring such works as may be necessary to keep the total accepted tender price within the estimated total project cost. It would then be possible to proceed with the major part of the project directly upon receipt of the tenders without incurring the additional inflationary increases that would result if it were necessary to delay the entire project by 10 months, pending review of the deferrals by the General Assembly."

6. The Advisory Committee recalls that, in its resolution 35/222, the General Assembly specified both the requirements for the project in terms of the facilities to be provided, and the maximum cost of the project in Kenyan shillings. As is noted in paragraph 4 above, the Secretary-General now estimates the cost of the revised project at Kshs. 269,581,300 which is Kshs. 14,637,300 more than the limit set by the General Assembly.

7. In this connexion the Advisory Committee notes that when the General Assembly adopted resolution 35/222 the rate of exchange was Kshs. 7.33 = US \$1 (United Nations October 1980 operational rate of exchange). When document A/C.5/36/57 was being prepared, the United Nations operational rate of exchange was Kshs. 10.50 = US \$1. When a currency is devalued, all imports become more expensive in terms of the currency in question; this, in turn, has an inflationary impact on local costs.

8. In the opinion of the Advisory Committee, it is unfortunate that the deadline for the submission of tenders is after the end of the thirty-sixth session of the General Assembly, thereby making it impossible for the Assembly to take appropriate action in the light of the results of the tendering. Two alternative approaches are now open to the Assembly: it can either limit the cost of the project and authorize the Secretary-General to proceed in the manner outlined in paragraph 24 of his report (see para. 5 above); or it can decide to retain the revised project in its entirety and make appropriate arrangements for the approval of such extra commitments as might be required.

9. Considering that the revised project reflects the decision of the General Assembly after a thorough discussion of accommodation requirements at Nairobi, and considering also that the deferral of any portions of the project would inevitably increase total costs, the Advisory Committee prefers the second alternative.

10. In paragraph 22 of his progress report, the Secretary-General states that the total cost of the revised project in United States dollars is currently estimated at \$27,078,200 of which \$7,942,400 has been appropriated under the programme budgets for 1978-1979 and 1980-1981. 1/ The balance of the requirements thus amounts to \$19,135,800.

11. The Advisory Committee notes that of the \$7,942,400 already appropriated, \$5,477,200 was disbursed up to and including September 1981, leaving a balance of approximately \$2.5 million towards future expenses. In paragraph 9, the Secretary-General states that he expects that construction will be completed in December 1983. Accordingly, in paragraph 23, he requests that the General Assembly appropriate at its current session the full amount of the balance of \$19,135,800 (see preceding para.). The Advisory Committee has no objection to this request.

12. For the reasons stated in paragraphs 9 and 11 above the Advisory Committee recommends that the General Assembly:

- (a) Approve the revised construction project at Nairobi;
- (b) Appropriate an amount of \$19,135,800 under section 32 of the programme budget for the biennium 1982-1983 for construction at Nairobi;
- (c) Request the Secretary-General to report to the Advisory Committee as soon as possible, on the results of the tendering and to make recommendations based on those results;

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1/ The Advisory Committee understands that the total of \$7,714,400 shown in paragraph 32.8 of the proposed programme budget for the biennium 1982-1983 (Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 6 (A/36/6), vol. II) is an error.

(d) Authorize the Secretary-General to enter into commitments, with the prior concurrence of the Advisory Committee, in excess of the appropriations, provided that the total cost of the project in United States dollars remains within the dollar equivalent of Kenyan shillings 254,944,000 at the time the General Assembly specified that amount as the limit of the cost of the project. The commitments in question, if any, would be reflected in the performance report to be submitted by the Secretary-General to the General Assembly at its thirty-seventh session.

Common services at the United Nations Centre at Nairobi

13. In his report in document A/C.5/36/39 the Secretary-General, after summarizing the common services arrangements in New York, Geneva and Vienna, states that the situation at Nairobi is different; the reasons for that difference are listed in paragraph 5. In paragraph 6 (a) the Secretary-General lists 11 functions in respect of which agreement has been reached with the Executive Directors of UNEP and the Centre for Human Settlements (Habitat) that they should be administered by a common unit.

14. In paragraph 6 (b) the Secretary-General lists six administrative functions on which no agreement has been reached as yet and which will be the objects of further analysis and consultation in 1982. The six functions in question are:

- (i) Personnel administration and recruitment;
- (ii) Electronic data processing;
- (iii) Financial services;
- (iv) Contracting and procurement;
- (v) Transportation, travel and freight;
- (vi) Conference and language services.

15. In paragraph 8 the Secretary-General states that he intends to submit to the General Assembly at its thirty-seventh session a report on the staffing and budget of the unit which will provide the common services. The related programme budget proposals will be made in the proposed programme budget for 1984-1985.

16. The Advisory Committee welcomes the agreement reached on the 11 support services listed in paragraph 6 (a) of the report by the Secretary-General. The Committee urges the Secretary-General to achieve further progress in the two years still remaining before the completion of the construction project at Gigiri. While the Committee is not suggesting that all the six functions and services listed in paragraph 6 (b) should necessarily be assigned to the common unit, it believes that a common approach will be in the interest of the United Nations in most cases. For example, it is inconceivable that two organizational units working in the same building should require two separate conference and language services. Similarly, if there is no unified personnel administration and recruitment, inconsistencies may arise in the treatment of staff.

17. The Advisory Committee notes from paragraph 5 that the difference between Nairobi, on the one hand, and New York, Geneva and Vienna, on the other, is that at Nairobi "two separate major programmes of the United Nations Secretariat, each with its own Executive Director reporting directly to the Secretary-General, and each having significant delegated authority for its own administration, will occupy single newly-constructed facility, along with one or more much smaller country or subregional offices of the United Nations and other United Nations agencies". In paragraph 6 (b) reference is again made to the delegated managerial authority of the two Executive Directors.

18. In this connexion, the Advisory Committee points out that, except where specific decisions have been taken by the General Assembly, authority which has been delegated to senior officials is ultimately vested in the Secretary-General who may rescind the delegation if he determines that alternative arrangements are in the best interests of the Organization. In the circumstances, the Committee trusts that objective criteria will be used in determining which of the six functions enumerated in paragraph 6 (b) should be assigned to a common unit.

19. As regards the staffing of the common unit, the Advisory Committee believes that it should be provided to the maximum extent possible through redeployment. The Committee would consider unacceptable an arrangement under which common service functions would continue to be performed the way they now are, subject to some kind of "co-ordination" by the common unit; such an arrangement would add to, instead of streamlining, the administrative superstructure. The Advisory Committee will bear this aspect in mind when it considers the report which the Secretary-General will submit to the General Assembly at its thirty-seventh session.

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