

UNITED NATIONS GENERAL ASSEMBLY



Distr. GENERAL A/C.5/1468 13 November 1972

ORIGINAL: ENGLISH

Twenty-seventh session FIFTH COMMITTEE Agenda item 73

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1973

Housing accommodation for the Secretary-General

Report of the Secretary-General

1. In the report of the Secretary-General on supplementary estimates for 1972 reference was made (A/8834, annex II, paragraph 9.4) to certain additional expenses that it has been necessary to incur during the current year in connexion with the provision of housing accommodation for the Secretary-General. The present report provides more detailed information on the arrangements that have been made to date and those that are envisaged for the future.

2. By paragraph 2 of its resolution 11 (I) of 24 January 1946 on the terms of appointment of the Secretary-General, the General Assembly decided that such officers should be provided at the expense of the Organization with a furnished residence. Also to be met in this fashion were the cost of repairs and maintenance, excluding provision of household staff.

3. To date it has been necessary to provide under section 9 of the budget for the rental of such premises at an annual cost, including maintenance expenses, of \$24,000. With the escalation of rental costs, it became apparent early this year that appropriate premises for the Secretary-General could not be obtained within this level of expenditure. The cost of temporary accommodation provided for the Secretary-General in 1972 has amounted to approximately \$30,000.

4. In July 1972, the United Nations Association of the United States of America (UNA), an independent, private and non-profit organization in support of the United Nations, announced its intention to make available as a residence, which could be used for official purposes by the Secretary-General, a facility consisting of a town house at 3 Sutton Place in Manhattan. This property, which has been donated to the United Nations Association by its previous owner and which has been appraised, by independent experts, at a fair market value in excess of \$1 million, has been leased to the United Nations by the United Nations Association for an initial period from 27 July 1972 to 27 July 1973 at its

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appraised rental value of \$60,000. Of this amount, half has been paid in 1972, and the balance will become payable in 1973.

5. In 1973, subject to the final approval of its Board of Governors and the United Nations, the Association intends to transfer the property to the United Nations under arrangements mutually satisfactory to both organizations. From that point on, it would be necessary to provide under the regular budget only for operating costs of the property.

6. The premises, which were constructed some 50 years ago, are basically in very good condition; however, they require certain remodelling and repairs. The necessary renovation and furnishing of the premises is being undertaken at the present time at a total estimated non-recurrent cost to the Organization of 62,000. It is expected that the premises will be ready for occupation before the end of the year. Other expenses in 1972 relate to utilities (5,000) and insurance for a period of three years (80,000). Expenses for these purposes will be met as indicated in the report on supplementary estimates for 1972 (A/8834) from economies achieved under the appropriations as a whole, and it will not be necessary to seek additional credits in 1972 to cover them.

7. In future years, costs should be limited to utilities and maintenance, which are currently estimated at \$20,000 per year, except that in 1973 an additional amount of \$30,000 will be required for rental. Accordingly, it will be necessary to increase by \$26,000 the amount of \$24,000 provisionally requested for this purpose under section 9 of the initial budget estimates for 1973.