



General Assembly

Distr.
GENERAL

A/39/7/Add.2
28 September 1984

ORIGINAL: ENGLISH

Thirty-ninth session
Agenda item 109

PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985

Adequacy of the conference facilities of the Economic Commission for Africa at Addis Ababa

Third 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 the adequacy of the conference facilities of the Economic Commission for Africa - A/C.5/38/82 and A/C.5/39/8. The latter document contains updated information in accordance with General Assembly resolution 38/234, section XXIII. In addition to the above two reports, the Committee had before it other relevant documentation. 1/

2. Because of its late submission in December 1983, the Committee had been unable to examine the Secretary-General's report (A/C.5/38/82) at its autumn 1983 session and had therefore recommended that consideration of the report be deferred until the thirty-ninth session of the General Assembly. During its 1984 spring/summer session, the Committee met with representatives of the Secretary-General at Headquarters, with the Executive Secretary and his colleagues at the Economic Commission for Africa in Addis Ababa, and (also in Addis Ababa) with representatives of the architectural and engineering firm which had prepared the conceptual design on which the Secretary-General's reports are based.

3. As indicated in paragraphs 1 to 3 of document A/C.5/38/82, a firm of consulting architects/engineers was selected to undertake an architectural and engineering study for construction of new conference facilities and for the modification of existing buildings at ECA. The study, which was carried out between July and October 1983, is summarized in paragraphs 4 to 28 of the Secretary-General's report.

4. In paragraph 6 of A/C.5/38/82, the Secretary-General states his understanding that the Government of Ethiopia would make available a further parcel of land of 42,400 square metres adjacent to the existing site. As stated in paragraph 4 of A/C.5/39/8, this has since been confirmed by the Government of Ethiopia. In addition, "the Government has confirmed that materials and furniture and equipment required for the construction of the conference facilities will be exempt from duty or sales taxes". The Advisory Committee understands this to mean that neither duty nor sales tax will be levied on the material required for the project.

5. The Advisory Committee notes, as indicated in paragraph 10 of A/C.5/38/82, that the overall requirements of the facilities have been divided into three categories comprising "required facilities (conference rooms, conference support facilities and parking); desirable facilities (delegates' meeting rooms, medical emergency facilities, communications facilities and new dining facilities); and future facilities (office building and additional parking)". Some of the facilities incorporated into the design as desirable elements were not considered by the General Assembly in its discussion at the thirty-seventh session; however, the consultants had concluded that additional facilities would be required to meet the needs of ECA (para. 9 of A/C.5/38/82).

6. As stated in paragraph 12, pursuant to the Advisory Committee's recommendation in its report A/37/7/Add.18, plans and cost estimates for three specific options were drawn up by the architects, namely: option one comprising one large conference room, two medium-sized conference rooms and four small-sized rooms (1-2-4); a second option comprising one large, three medium and six small rooms (1-3-6) and the last comprising one large, two medium and six small rooms (1-2-6). In each option, one medium-sized conference room would be obtained from the modification of the existing plenary hall (Africa Hall). Although the Secretary-General had originally indicated that two small conference rooms might result from the modification of the existing plenary hall, 2/ the consultants concluded that this would not be viable due to the physical constraints of the present building in which Africa Hall is located.

7. The seating to be provided in the large, medium-sized and small-sized conference rooms is described in paragraph 24 of A/C.5/38/82. The large conference room would provide for 200 delegates at the table and 200 advisers behind; the medium-sized rooms would accommodate 100 delegates at the table and 100 advisers behind; and the small-sized rooms would be large enough for 50 delegates at the table and 50 advisers behind. However, in line with the observations of JIU on the need to introduce flexibility into the design of new buildings, the consultants were asked to allow for sufficient floor space to permit a 50 per cent expansion of seating in the large conference room, the modified plenary hall and the small conference rooms, and a 100 per cent expansion in the new medium conference room. The Secretary-General states in paragraph 25, that such expansion would allow the possible future holding of a major United Nations conference in Addis Ababa.

8. Section II (paras. 29-47) of the Secretary-General's report (A/C.5/38/82), deals with the engineering design features of the proposed project, including a description of the proposed new staff cafeteria (to accommodate 400 people), delegates' dining room (to accommodate 300 people) and delegates' lounge (also

for 300 people). The Secretary-General also discusses the two types of contract which could be utilized to develop the design and to construct the proposed conference centre, namely the turn-key type of contract or the more conventional contract whereby a facility is designed by an architect or engineer and then constructed by a contractor. Although the consultants recommended the use of the turn-key contract, the Secretary-General has recommended the architect/design-contractor construct contract, incorporating a guaranteed maximum cost, the advantages of which are described in paragraph 44 of the Secretary-General's report.

9. Under the arrangement recommended by the Secretary-General, approximately five years would be required for the design and construction. An additional year-and-a-half would be required for modification of the existing plenary hall, in view of the impracticality of beginning work on that building prior to the completion of the new conference facilities.

10. In section III (paras. 48-54) of A/C.5/38/82, the Secretary-General discusses the conference-servicing requirements of ECA. According to the Secretary-General, at present a number of meetings organized by ECA are currently held outside Addis Ababa; however, it would be possible to hold the majority of meetings in Addis Ababa with the completion of the proposed conference facilities. At the same time, this "would give rise to an increased number of simultaneous meetings" (para. 53). In the light of this, the Secretary-General concludes in paragraph 54 that in the medium- and long-term view the needs of ECA would be adequately met by pursuing the 1-2-4 option, on the understanding that the proposed expansion be incorporated into the design of all the conference rooms.

11. Paragraph 5 of A/C.5/39/8, which supersedes paragraph 58 of A/C.5/38/82, provides a breakdown of the cost of the project, which has been recosted at 1984 prices at \$66,220,000. As stated in paragraph 6, the consultants' previous assumption (see A/C.5/38/82, para. 59) that construction costs would increase by approximately 7.5 per cent per year on a compounded basis "appears still valid". Consequently, given a seven year construction period, the total cost of the project would increase to approximately \$89,360,000 as reflected in the table following paragraph 6 of A/C.5/39/8. However, as previously indicated in paragraph 59 of A/C.5/38/82, because the United Nations has not yet acquired the expertise of a quantity surveyor, more detailed information regarding the expected cost increases is not yet available.

12. The funds for the project, which would be appropriated according to the schedule outlined in paragraph 7 of A/C.5/39/8, would be placed in a separate construction account and unexpended balances would be carried forward into succeeding bienniums until the project is completed. Annual progress reports would be submitted to the General Assembly.

13. Section V (paras. 61-64) of A/C.5/38/82 deals with administrative arrangements. In paragraph 61, the Secretary-General states that the "primary administrative responsibility for the supervision of the project would rest with the Executive Secretary of ECA, whose staff would undertake the day-to-day management and development of the project during the construction phase". In this connection, the Secretary-General proposes to set up a small planning unit at ECA,

/...

comprising a technical officer at the P-5 level and a finance officer at the P-3 level. The incumbents of these temporary posts would work closely with the supervising engineer on a regular and full-time basis. The unit would also be augmented by two temporary local-level posts. The cost of the unit is given in paragraph 8 of A/C.5/39/8 at \$95,100 for the biennium 1984-1985.

14. It would also be necessary, as indicated in paragraph 63, "for the United Nations to retain an independent quantity surveyor and/or project management consultants to assist in the preparation of a detailed programme for such an effort and to assist in the analysis of proposals and cost estimates submitted". The Advisory Committee notes that "the quantity surveyor and/or project management consultants would be selected jointly by ECA and Headquarters and during the construction phase would have offices in Addis Ababa to assist ECA staff in the day-to-day management of the project and inspection of construction" (para. 64). At the same time, however, the Secretary-General points out that "during the early phases, various policy decisions on the construction programme and contracting arrangements would require careful study at Headquarters. Headquarters would also monitor the design work to ensure that it was on schedule and within budgetary provisions. Project co-ordination activities between the United Nations and the consultants during the design phase would centre in New York, where use can be made of the substantial back-up available."

15. In paragraph 65 (sect. VI) of A/C.5/38/82, the Secretary-General estimates the number of additional support staff which would be required upon the completion of the new conference facilities. At the same time, however, he proposes that "the Administrative Management Service undertake a review of the overall requirements of ECA for conference and support services in connection with the preparation of [his] 1986-1987 programme budget estimates".

Observations and recommendations of the Advisory Committee

16. The Advisory Committee is convinced of the need for new conference and related facilities at the ECA and is in basic agreement with the Secretary-General's proposal as contained in his reports, subject to the following observations and recommendations.

17. As stated in paragraph 7 above, the design for the conference facilities incorporates an expansion factor of 50 per cent for the large conference room, the modified plenary hall and the small conference rooms and a 100 per cent expansion factor for the new medium conference room. While the Advisory Committee agrees that an architectural design should allow for as much economical expansion as possible during the life of the building, it also is of the opinion that each project should be studied as an independent entity on the basis of the specific purpose and requirements of the building, and that all relevant data should be taken into consideration in determining the final design.

18. The Advisory Committee considered information provided by ECA, particularly statistical information on the frequency and scale of ECA conferences and meetings. Representatives of the Secretary-General provided the Advisory Committee with information on many technical aspects of the construction proposals. The

Advisory Committee also discussed the requirements for the holding of a major United Nations conference, a possibility referred to in paragraph 25 of A/C.5/38/82.

19. Taking into account all the information presented to it, the Advisory Committee concurs in the proposal to include the above-mentioned expansion factor in the design of the medium and large conference rooms. However, the Committee is not convinced of the need to incorporate the proposed expansion into the design of the small conference rooms. In response to inquiries, the Committee was informed that elimination of the proposed expansion in the small conference rooms would reduce the total estimate by \$1,729,000 (at 1984 rates).

20. With respect to the proposed modification of Africa Hall, the Secretary-General states that, for practical reasons, no work would begin prior to the completion of the new conference facilities, i.e. some five years after approval of the project by the General Assembly. However, the Advisory Committee believes that the actual decision concerning the extent of the modification of Africa Hall should be postponed pending completion of the new facilities. At that time, further consultation among all concerned should take place, during which, inter alia, careful consideration should be given to updated statistics on the level of meetings and conferences of ECA, with a view to ascertaining whether that level warranted modification of the Hall in the manner currently proposed by the Secretary-General, at an estimated cost of \$8,530,000 (at 1984 rates).

21. The Advisory Committee's recommendations in the two preceding paragraphs would reduce the total cost of the project, at 1984 rates, by \$10,259,000 to \$55,961,000. With the application of inflation at an annual rate of 7.5 per cent, the overall cost, excluding the cost of the ECA Planning Unit, would be \$73,501,000 as follows:

	<u>\$</u>
A. Costs at 1984 prices	
<u>Construction costs of new buildings</u>	
Conference facility	33 978 000
Site work	5 380 000
Dining facility	3 020 000
<u>Furnishings</u>	4 190 000
<u>Architectural and engineering construction manager/administration (excluding headquarters planning unit)</u>	6 270 000
<u>Contingency</u>	3 123 000
Total at 1984 prices	55 961 000
B. Anticipated inflation	<u>17 540 000</u>
Total	<u><u>73 501 000</u></u>

/...

22. Based on the foregoing recommendations, the following pattern of appropriations would be required:

	<u>\$</u>
1984-1985	3 120 000
1986-1987	26 372 000
1988-1989	<u>44 009 000</u>
Total	73 501 000

23. The Advisory Committee notes that the estimated total cost is based on preliminary plans which will have to be developed in greater detail if the General Assembly approves the project. However, the Committee points out that the type of contract recommended by the Secretary-General in paragraph 45 of his report and discussed in paragraph 8 above, incorporates a guaranteed maximum cost; it is therefore the view of the Advisory Committee that cost overruns should not occur once the contract has been signed. The Advisory Committee agrees with the recommendation of the Secretary-General on the type of contract to be utilized.

24. The Advisory Committee concurs with the creation of the proposed ECA Planning Unit described in paragraph 13 above. The Planning Unit would work closely with the quantity surveyor and/or project management consultants who, as indicated in paragraph 14 above, would have offices in Addis Ababa during the construction phase. The Advisory Committee agrees that such on-site co-ordination is essential for the proper day-to-day management of the project. In this connection, the Committee trusts that utmost care will be taken in staffing the Planning Unit and in retaining the best qualified quantity surveyor and/or project management consultants.

25. In the opinion of the Advisory Committee, the descriptions in section V of A/C.5/38/82, summarized in paragraphs 13 and 14 above, require a clearer definition of the respective responsibilities of ECA and Headquarters in developing, managing and supervising the project if it is to be implemented efficiently and with due regard to the optimum use of the resources to be approved by the General Assembly for the project. In this connection, the Committee recalls and reiterates its previous position that "there is a need for a clear delineation of responsibilities and for supervision, control and co-ordination of construction projects. For example, with regard to construction away from Headquarters, while there is certainly a need for considerable local input, there should be a central point of overall direction and control and this should be the Under-Secretary-General for Administration, Finance and Management and the Assistant Secretary-General, Office of General Services. It is only in this way that reliable standards can be formulated and applied and that proposed deviations from standards to meet local exigencies can be evaluated in the context of priorities and requirements for the United Nations as a whole. Such a system would also ensure a clear line of

accountability and would thus help to ensure that directives of the General Assembly and other legislative organs should be strictly and promptly applied" (A/36/643).

26. The Advisory Committee is of the opinion that communication and co-ordination between ECA and Headquarters needs improvement. Such improved co-ordination should ensure that standards of maintenance equivalent to those of other United Nations centres are developed and maintained at ECA. In this connection, the Secretary-General may wish to consider seconding a staff member experienced in maintenance and procurement to ECA with a view to assisting the Commission's staff in developing a long-range maintenance programme.

27. In the light of the above, the Advisory Committee attaches particular importance to the statement in paragraph 64 of A/C.5/38/82 that the Secretary-General intends to submit periodic reports to the Committee to enable it to monitor developments regarding the project.

28. The Advisory Committee notes that over and above the total cost of the project, the exact amount of which will become known once the bids have been evaluated and a contractor selected, additional costs will arise in respect of the physical and human resources required to operate and maintain the facilities. In paragraphs 65 and 66 of A/C.5/38/82, the Secretary-General estimates the additional number of staff which would be required but adds that "these observations have been included simply for information purposes", in view of his proposal that the Administrative Management Service "undertake a review of the overall requirements of ECA for conference and support services". The Committee also notes that no attempt has been made to quantify the additional funds which would be required for the physical maintenance of the new facilities.

29. In addition, although the large and medium conference rooms would be built with the expansion factor described in paragraph 7 above, at this stage the rooms would simply have additional space for future use. Should the General Assembly subsequently decide to hold a major conference at the headquarters of the Commission, or should the needs of ECA increase substantially, it would be necessary to equip the rooms with additional furniture and equipment, the financial implications of which are not contained in the Secretary-General's report.

Conclusion

30. Subject to its observations in paragraphs 16 to 29 above, the Advisory Committee recommends that the General Assembly (a) accept the generous offer of the Government of Ethiopia for approximately 42,400 square metres of land immediately adjacent to the existing site of ECA, taking due account of the assurance by the Government that all goods will be imported free of duty and sales taxes; (b) approve in principle the project at an estimated cost of \$73,501,000 (excluding the cost of the ECA Planning Unit); (c) approve an appropriation of \$3,120,000 for the biennium 1984-1985 under section 32 (Construction, alteration, improvement and major maintenance of premises) in order to formulate detailed designs, specifying that the appropriated funds be placed in a construction account and any unexpended balance carried forward until the completion of the project; (d) approve an

/...

appropriation for the biennium 1984-1985 of \$95,100 under section 13 (Economic Commission for Africa) and \$16,300 under section 31 (Staff assessment) offset by an increase under income section 1 (Income from staff assessment) in respect of the proposed Planning Unit; and (e) request annual progress reports from the Secretary-General.

Notes

1/ This documentation included: A/36/297 and Add.1, A/36/643, Official Records of the General Assembly, Thirty-seventh Session, Supplement No. 7 (A/37/7/Add.18), A/C.5/37/67 and A/AC.172/100.

2/ A/C.5/37/67, table 1, footnote b.
