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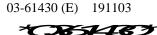
Transfer of buildings to the United Nations Logistics Base at Brindisi

Note by the Secretary-General

Summary

The present note contains a proposal for the acceptance of five additional buildings pledged by the Government of Italy in support of the United Nations Logistics Base at Brindisi.

The actions to be taken by the General Assembly are set out in paragraph 3.



1. The Government of Italy has indicated its willingness to transfer five additional buildings to the United Nations Logistics Base at Brindisi, Italy, with a total floor space of 1,760 square metres. The five buildings, which are located within the United Nations Logistics Base premises, have been identified in discussions with the Italian authorities with a view to accommodating the current operations and the Strategic Deployment Stocks assets. As part of an overall reconfiguration, the existing building and an additional five buildings will be used to house the United Nations Logistics Base headquarters since the existing building is too small to accommodate all the administrative sections, the Air Operations Unit, a canteen for staff at the Base and storage for assets and materials. The areas associated with these additional buildings will allow for a centralized storage area. The market rental value of the equivalent space, on an annualized basis, is estimated at \$561,715. The alternative of constructing containerized offices would require additional funds estimated at \$985,671.

2. Under the principles established in article V of the memorandum of understanding between the Government of Italy and the United Nations on exclusive use premises, the United Nations would renovate the five buildings at an estimated cost of \$140,000. Thereafter, the cost of maintenance estimated at \$15,000 per annum must be borne by the United Nations. The United Nations Logistics Base appropriation for the period 1 July 2003-30 June 2004 would absorb the additional costs associated with the renovation of the five buildings.

3. The acceptance of the five buildings, while being cost-effective overall for the organization, would involve an additional financial liability for the United Nations in respect of the cost of maintenance of the buildings. The approval of the General Assembly is therefore sought consistent with Financial Regulation 3.11.