



UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/C.5/31/17
15 September 1976

ORIGINAL: ENGLISH

Thirty-first session
FIFTH COMMITTEE

Item 99 (a) of the provisional agenda*

UN LIBRARY

SEP 21 1976

UN/SA COLLECTION

UNITED NATIONS ACCOMMODATION

Utilization of office accommodation in the United Nations system

Accommodation at United Nations Headquarters

Report of the Secretary-General

1. In September 1974, pursuant to a request of the General Assembly at its twenty-eighth session, 1/ the Joint Inspection Unit issued a report on the utilization of office accommodation at Headquarters. 2/ The Secretary-General submitted preliminary comments 3/ on the report to the twenty-ninth session of the General Assembly and suggested that he would be in a position to provide detailed observations on the matter to the General Assembly at the thirty-first session, after he had had the advantage of considering the Inspectors' findings concerning similar problems in the specialized agencies.

2. The Secretary-General also pointed out that the question of office space is only one aspect of the broad question of the adequacy of the Headquarters facilities in general. These matters, including such problems as the seating capacity of the meeting rooms; dining and lounge facilities, garage space, documents reproduction and printing facilities, are the subject of a separate report 4/ which should be considered in conjunction with this statement on office accommodations.

* A/31/150.

1/ Official Records of the General Assembly, Twenty-Eighth Session, Supplement No. 30 (A/9030), p. 132, para. h (i).

2/ A/9854.

3/ A/9854/Add.1.

4/ (Document symbol to be assigned.)

3. In his review of the observations and recommendations of the Joint Inspectors, the Secretary-General will deal with the following matters:

- A. Standards for utilization of space.
- B. Occupancy of space by non-Secretariat units.
- C. Rental charges to be applied.
- D. Current and projected office space requirements.

A. STANDARDS FOR UTILIZATION OF OFFICE SPACE

4. The Inspectors concluded that the occupancy standards for office space were generally satisfactory except that an excessive number of junior Professional staff (P-1 to P-3) occupy individual offices. The Secretary-General concurs in this observation and has instituted a more rigorous application of his policy that junior Professional staff must share offices unless it can be shown that their functions require privacy. This standard is being followed in all new space assignments or relocations and the target has been established particularly for larger units that not more than one half of the junior Professional staff should be assigned individual offices on the basis of function.

5. The Secretary-General also agrees with the Inspectors that the Headquarters buildings are overcrowded and that, as a result, many staff, particularly General Service personnel, have inadequate space. He recognizes that the intensive use of the Headquarters buildings during the past 10 to 15 years has adversely affected the space assignments of many functions employing General Service staff. Recommendations as to how to improve this situation are set forth in section D of this report which deals with current and projected office space requirements.

B. OCCUPANCY OF SPACE IN THE HEADQUARTERS BUILDINGS BY NON-SECRETARIAT UNITS

6. The Inspectors noted that office space was occupied in the United Nations Headquarters by a variety of non-Secretariat organizations. These included liaison offices of specialized agencies and interagency organizations, the news organizations and the United Nations Correspondents Association Club, delegations, commercial activities, staff-oriented activities, and various service organizations supporting the work of the United Nations. The Inspectors also called attention to the space occupied by extrabudgetary staff. ^{5/} Their report suggested that the

^{5/} Subsequent to the preparation of the report on Headquarters Accommodation (A/9854) the Inspectors prepared a report on office accommodation provided for extrabudgetary staff in the United Nations system (A/10279). This aspect of the question is being dealt with in the report which the Secretary-General will submit to the Assembly on the subject of the costs of programme support services.

need for each of these functions to be located in the Headquarters should be reviewed and in those instances where the need for such occupancy was confirmed the question as to whether a rental should be charged, and if so how much, should be considered.

7. The United Nations Headquarters buildings are not only inadequate to meet the needs of the Secretariat for office and service space as evidenced by the number of units now being accommodated outside its buildings, but they are also very overcrowded. The questions posed by the Inspectors regarding the occupancy of space in these buildings by non-Secretariat units thus raise the basic problem of priority. Does the occupancy of space in the Headquarters buildings by a non-Secretariat unit contribute more to the over-all interests of the United Nations than if the space were occupied by Secretariat staff? In the following analysis the Secretary-General has attempted to apply this criterion to his evaluation of each of the Inspectors' proposals.

Staff of specialized agency liaison offices

8. The Inspectors proposed that the liaison offices of the Food and Agriculture Organization of the United Nations, the World Health Organization, the International Atomic Energy Agency and the International Monetary Fund, which occupy approximately 593 square metres (6,389 square feet) in the Headquarters building for which they pay a rent of \$7.20 per square foot per year, should be moved to "some other building in the vicinity". The Secretary-General noted that the International Labour Organisation liaison office, which has similar representational functions, has long been located in outside premises and that both the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF), which have extensive liaison functions with the Secretariat as well as responsibilities in respect of the servicing of meetings have been located for over 10 years outside of the Headquarters building. Additionally, such organizations as the United Nations Environment Programme (UNEP), the United Nations Fund for Population Activities and the International Civil Service Commission (ICSC), which also have substantial liaison responsibilities, are accommodated outside the Headquarters. Furthermore the Secretary-General has been asked to increase the amount of space occupied in the Secretariat building by a number of the specialized agencies' liaison offices. Under the circumstances, while appreciating the importance of the functions performed by these liaison offices, the Secretary-General does not feel that he can disagree with the recommendation of the Inspectors that the specialized agencies 6/ and the International Atomic Energy Agency be asked to relocate their

6/ It may be noted that FAO at the present time provides accommodation without charge in its Rome Headquarters for the World Food Council whose budget has been shared, since its creation, jointly by the United Nations and FAO. As a result of discussions held earlier this year, the FAO Council has requested and the Secretary-General has agreed to recommend that, beginning 1 January 1977, the United Nations assume full financial responsibility for the budget of the World Food Council. Should this recommendation be approved by the General Assembly the Secretary-General would endeavour to work out a reciprocal arrangement along lines similar to those proposed in para. 9 for UNESCO.

offices outside the Headquarters building. The Secretary-General has already been in touch with the representatives of the agencies concerned and has offered to assist in relocating them elsewhere under mutually satisfactory arrangements.

9. One other specialized agency, the United Nations Educational, Scientific and Cultural Organization (UNESCO) also maintains a liaison office occupying some 302 square metres (3,252 square feet) on the twenty-second floor of the Headquarters building. On a reciprocal basis the United Nations Information Centre in Paris is located in 405 square metres (4,358 square feet) in one of the UNESCO buildings. The current location of the Centre dates from February 1970, prior to which it was located in the Saxe building in the main UNESCO compound. The Inspectors point out that the United Nations Information Centre, like non-governmental organizations, "appears to have been considered by the /UNESCO/ Headquarters Committee as a non-priority user and, if the UNESCO secretariat and delegation accommodation needs cannot be met adequately in its buildings, then the Centre, ... presumably will have to be located in outside premises". / The Secretary-General appreciates the logic of such a decision by the UNESCO Headquarters Committee and considers that the same conditions on which it was based currently exist in New York. Accordingly he proposes that, while the reciprocal arrangements for providing space should continue, just as it was necessary for UNESCO to move the Information Centre in 1970 to alternative premises, the UNESCO Liaison Office should now be asked to relocate in accommodation to be provided by the United Nations outside the Headquarters building. Consultations to this end are taking place with representatives of UNESCO.

Space occupied by interagency organizations

10. The United Nations Joint Staff Pension Fund, including staff servicing the United Nations Staff Pension Committee, occupies some 425 square metres (4,572 square feet) in the Secretariat building, in respect of which the Inspectors stated "while there are real advantages in having these offices located in the same building as the health, financial and computer services, the Fund could operate without serious handicap if its offices were located outside the Secretariat building but in very close proximity to it". 8/ The Secretary-General accepts this recommendation, in principle, but he considers that its implementation requires a careful review of the possible alternatives. From a practical standpoint the only space meeting the conditions laid down by the Inspectors would be that in the United Nations Development Corporation building on First Avenue. As is explained in paragraphs 35-37 of this report the space available in the UNDC building falls far short of the total needs of the United Nations for outside space. It obviously is desirable to accommodate functionally related units in that building and, to this end, it is planned to assign as much space as possible in the building to units of the Department of Economic and Social Affairs in order to

7/ JIU/REP/75/10, para. 92.

8/ A/9854, para. 33.

permit close working arrangements with the other major tenant, the United Nations Development Programme. The Secretary-General considers that the use of the space in the UNDC building to accommodate units of ESA would be more effective than if it were to be assigned to the United Nations Joint Staff Pension Fund. It should also be noted that removal of the United Nations Joint Staff Pension Fund from the Headquarters building would increase the expenditures of the Board for computer services since it would be necessary to provide an outside terminal as well as additional staff. Accordingly, while continuing to keep this proposal under review it will be assigned a low priority.

The news agencies and the United Nations
Correspondents Association (UNCA Club)

11. The report of the Inspectors does not question the policy of providing space and other amenities to the representatives of the media but it does suggest that the policy applied both at Headquarters and Geneva should be "clear and consistent". The Secretary-General believes that the current arrangements meet this test as is explained in detail in paragraphs 26 and 27.

Space occupied by missions

12. A total of 159 square metres (1,701 square feet) of office space is occupied in the conference building by the Missions of China, France and the United Kingdom. This arrangement goes back to the earliest days of the United Nations when the practice was instituted of providing, upon request, a small amount of office space to the permanent members of the Security Council. The delegation of the Union of Soviet Socialist Republics did not request such space while that of the United States of America moved out when its office building at East 45th Street and 1st Avenue was ready for occupancy. The Inspectors recommend that the space now being occupied by the Missions of China, France and the United Kingdom should be released to assist in meeting the Organization's urgent space requirements. The Secretary-General considers that, while, under the circumstances existing at the time the practice was originally instituted it was not inappropriate to provide these facilities, the position in the intervening years has somewhat changed. He believes that the present situation at Headquarters is not dissimilar to that existing in Geneva in 1965 when, due to a severe shortage of office space, delegations agreed to vacate offices they had been occupying on United Nations premises in the Palais des Nations. He has therefore entered into consultations with the delegations of China, France and the United Kingdom to this end.

Space occupied by commercial organizations
servicing the United Nations and staff

13. It is clearly in the interests of both the Organization and the staff as a matter of convenience and prompt service, that the travel agency (Thomas Cook Inc.) and the bank (Chemical Bank) be located on United Nations premises. The Inspectors point out, however, that in the matter of rent paid, or other income

/...

received, widely differing practices have been applied to these organizations and their counterparts in Geneva. The Secretary-General has conducted an extensive study of this matter, the results of which are set forth in section C of this report.

Space occupied by staff-oriented activities

14. As in the case of the news organizations and the commercial organizations, the Inspectors did not question the occupancy of space in the Headquarters building by the United Nations Credit Union, the United Nations Co-operative store and the Co-operative service station, however it did propose that the rental rates charged should be reviewed. The question of rentals will be dealt with later in this report. Since the report of the Inspectors was prepared, the Credit Union, in order to obtain more space has moved to outside premises.

Space occupied by various organizations
supporting the work of the organization

15. The Inspectors suggest that the World Federation of United Nations Association which occupies 39 square metres (420 square feet) could be housed equally well outside Headquarters but in close proximity. It implies a similar opinion regarding the needs of the Association of Former International Civil Servants (22 square metres; 240 square feet). It may be assumed that this would also be the decision with regard to the Women's Guild which, since the report was written, has been permitted to share the space occupied by the Association of Former International Civil Servants. The Secretary-General would agree that the work of these organizations will not be greatly handicapped if they are asked to move out of the Headquarters building to suitable premises in a near-by building, thus releasing urgently needed space for Secretariat purposes.

C. RENTAL CHARGES TO BE APPLIED IN UNITED NATIONS PREMISES

16. The Secretary-General has conducted an extensive review of the practices followed in establishing rental rates for space occupied by units not forming a part of the United Nations Secretariat in United Nations buildings. He agrees with the Inspectors that rates established for various types of offices or organizations should be based upon a consistent set of principles. At the same time he recognizes that local practice differs from country to country and city to city and thus the elements composing rental rates will not necessarily be the same in each location. Furthermore, it is appreciated that in order to accommodate various classes of tenants more than one rental rate may be needed in a particular location. Thus, for New York a "full market" category, an "actual cost" category, a "concessionary" category and a "rent free" category have been established.

17. Before deciding on the method of determining the "full market" rate, several alternatives were explored and a study was made to ascertain the cost per square

foot for the operation, maintenance and servicing of office space in the Headquarters buildings. It was finally decided that the most equitable solution would be to charge a rate approximately equivalent to the base rental being paid by the United Nations in its largest outside premises (UNDC building) plus servicing costs. This rate, which would be paid by commercial organizations would assure that such organizations would bear the full cost of equivalent outside rentals which are required by the United Nations because of the presence of the commercial organization in the Headquarters building. 9/

18. The "actual cost" rate is the same as the full market rate less the servicing charge which is considered appropriate for commercial tenants. It takes into account the fact that for each non-Secretariat function located in the Headquarters building, the United Nations must rent an equivalent amount of outside space. Should the occasion arise when the United Nations is required to provide offices for one of the specialized agencies in space which the United Nations is renting outside the Headquarters building, the "actual cost" rate would be that which the United Nations is actually paying.

19. The "concessionary rate" will comprise only those elements in the cost of the actual maintenance, operation and servicing of the Headquarters building which represent "out of pocket" expenses (additional expenses arising from the occupancy of space other than those which would have been incurred in any event).

20. In order to reflect changes in outside rental rates as well as in the cost of utilities, cleaning and other services it will be necessary to review the rates periodically. For 1977 they have been tentatively established as follows: (a) full market rate - \$12.42 per square foot gross per year (\$133.64 per square metre); (b) actual cost rate - \$11.18 per square foot gross per year (\$120.30 per square metre); (c) concessionary rate - \$5.00 per square foot gross per year (\$53.80 per square metre).

21. In his consideration of rental rates the Secretary-General has been particularly attentive to the comments of the Inspectors regarding the rents charged to the travel agency and the banks both in New York and Geneva. As a provisional measure, pending the outcome of his study of the rental situation in New York and Geneva, in 1975 the Secretary-General increased the rental of the travel agency and the bank both in New York and Geneva. These organizations will henceforth (beginning in 1977) be charged the full market rate, as stated in paragraph 17.

22. The Secretary-General has noted that the specialized agencies headquartered in Europe receive as "rent" substantially greater payments from their "in house" travel agencies than does the United Nations. In explanation, he has ascertained

9/ It is proposed to compute rental charges for space occupied in the Headquarters building on a "gross" basis as is the practice in outside rented premises (office plus corridors, work-rooms, etc.), rather than on a "net" or office space only basis as has been the past practice. This has the effect of increasing rental rates by some 35 per cent.

/...

that the regulations of the International Air Transport Association (IATA) as well as the laws of the host country are more stringent with regard to the operation of travel agencies in New York than in the European cities where offices of the United Nations and the specialized agencies are located. In order to take advantage of this situation the Secretary-General has decided to negotiate separate contracts for travel agency services in New York, Geneva, and possibly at other locations. Negotiations to implement this arrangement are currently in progress. Furthermore, as regards New York, in addition to the higher office space rental the Secretary-General has been successful in arranging for the travel agency to increase its staff to better serve the Organization, as well as to provide such services as a branch office in the UNDC building, special messenger and free communications services, sale of travellers cheques without surcharge, donations for staff activities and welfare and free notary public service.

23. In paragraphs 8, 9 and 12 the Secretary-General has referred to the recommendations of the Inspectors that the offices occupied by the missions as well as the liaison offices of the specialized agencies (FAO, WHO, IAEA and IMF) should be relocated in outside premises. It is hoped that these arrangements can be completed in 1977. During this interim period no change is proposed in the existing arrangements with respect to rental payments by the agencies; however, should delays occur in completing the moves within the period mentioned, the Secretary-General will review the question of rental charges again. In principle, it is considered that should any mission or specialized agency occupy space in premises leased by the United Nations outside the Headquarters building they should pay the "actual cost" rental rate since that rate represents the cost to the United Nations of the space occupied. 10/

24. As for the UNESCO liaison office, under the reciprocal arrangements which exist, the United Nations will undertake to provide at no charge the required space in outside premises. The Secretary-General notes that his proposal to charge the specialized agencies a rental equivalent to the actual cost to the United Nations of outside rented space is not less generous than the arrangement established by the Administrative Management Committee of the International Computing Centre and the Administrative Committee on Co-ordination with respect to the rental of space occupied by the ICC in the Geneva Headquarters of WHO. The ICC pays \$14.30 11/ per square foot net for computer room and office space and \$3.57 11/ per square foot net for air conditioning plant space. The ILO charges approximately the same rent (\$14.30 per square foot net) plus an estimated \$1.27 per square foot net for cleaning costs to WHO for office space occupied by WHO in the new ILO building. 12/

10/ The Secretary-General also has under study the matter of a rental charge to IAEA, IMCO and FAO for the space occupied by their representatives in United Nations premises in Geneva.

11/ JIU/Rep/75/3, para. 49.

12/ JIU/Rep/75/8, para. 33.

/...

25. The Inspectors accepted the position taken by the last Pension Review Group that the United Nations Joint Staff Pension Fund should not be charged rent. The Inspectors suggested, however, that it would be appropriate to consider whether the specialized agencies which participate in the Fund should contribute towards the cost of providing the space. This would follow the practice that the participating organizations share the cost of servicing the meetings of the Pension Board. If the United Nations were to seek reimbursement for the space occupied by the Fund at the concessional or "out of pocket rate" an amount of some \$16,000 would be involved of which the United Nations share would be about \$5,300. Bearing in mind the fact that the Fund is an organ of the General Assembly and that the assessment of rent on the participating organizations would reverse a practice of almost 30 years standing, the Secretary-General does not consider that this suggestion of the Inspectors should be pursued further at this time.

26. In reviewing the proposal of the Inspectors that the news organizations should be charged rent for the space they occupy and/or the equipment and furniture they use at Headquarters, the Secretary-General has borne in mind the frequently expressed views of the General Assembly on the importance of the press and media in gaining world-wide understanding of, and support for, United Nations aims and activities. He noted that as recently as last year the General Assembly in resolution 3535 (XXX) restated its wish that the Secretary-General collaborate closely with the national media to improve the public image of the United Nations system. It is clear that efforts should be made to facilitate news coverage of the United Nations at all levels and by all facets of the media. The Secretary-General considers that after 30 years of providing free facilities the imposition of rent or the introduction of new charges for such items as furniture and equipment would be counterproductive to the above policy. Under the circumstances he suggests that existing arrangements should not be changed.

27. The Secretary-General does not consider this decision to be inconsistent with the practice of the United Nations in Geneva of charging rent to the news agencies for space occupied in the Palais. The basic difference in the two situations is that in New York office space is provided for news agency representatives exclusively to cover United Nations activities, while in Geneva the conferences and activities covered are those not only of the United Nations but also of the specialized agencies and other international bodies meeting in Geneva outside of the United Nations system. Furthermore, the space occupied by news agency representatives in the Palais often serves as a base for coverage of matters in a wide European area and on subjects other than the United Nations system.

28. The report of the Inspectors draws attention to the fact that staff-oriented activities such as the Credit Union, the Co-operative Store and the Co-operative Service Station have been charged a rental rate designed only to recover "out of pocket" costs or, in the case of the service station, a token rent. The Inspectors suggest that the rental charges for these activities should be "reconciled" with those charged to the travel agency and the bank. In attempting such a reconciliation the Secretary-General has inquired into the practice of other organizations in the United Nations system and he has discovered that no other organization charges any rent to its Credit Union or any similar employee service

group. The United Nations Credit Union on the other hand only this year had to move to outside premises where it subleases space from the United Nations. The Credit Union has pointed out that almost all employers provide free space to their staff credit unions and it has requested a concessionary rent. The Secretary-General considers this request to be justified in the light of practice elsewhere.

29. In considering the rental rate to be charged to the United Nations Co-operative Store, the Secretary-General has ascertained that comparable functions (the Commissaries at UNIDO, IAEA, UNESCO as well as SAFI 13/ in Geneva) are either charged no rent at all or only a concessionary rent to cover actual expenses for such items as cleaning and utilities. He noted that the Inspectors did not take exception to this practice in Vienna, Paris or Geneva. It is the Secretary-General's opinion that these activities are an essential element of the staff services system and as such should be entitled to the concessionary rate. As for the Co-operative Service Station, this is not a profitable operation but is provided in order to meet a substantial need of the staff. The convenience it accords justifies waiving any rental charge, particularly in view of the fact that the space occupied would have a very limited alternative use.

30. Finally, the Secretary-General is satisfied that rental charges should also be waived for activities such as the Barber Shop, the cable and wire service agencies, the Hospitality Committee, the Non-Governmental Organizations lounge, the International School, the World Federation of United Nations Association, the Association of Former International Civil Servants and the United Nations Women's Guild. It is believed that the support provided by these organizations in various ways to the work of the organization and the assistance furnished to United Nations staff, active and retired, more than justifies the provision of the limited amount of space occupied which totals less than 2,500 square feet (232 square metres). It is the Secretary-General's intention that similar policies would be applied in Geneva and other overseas offices.

13/ Service d'achats et de commandes des fonctionnaires internationaux (International Civil Servants' Purchasing and Ordering Service).

D. CURRENT AND PROJECTED OFFICE SPACE REQUIREMENTS

31. In December 1975 the United Nations and the UNDP began to occupy office space in the United Nations Development Corporation building on First Avenue across the street from Headquarters. As of 31 August 1976, 390 staff members of the United Nations were accommodated in some 91,350 gross square feet 14/ (8,490 gross square metres) and 633 staff of UNDP occupied 145,072 gross square feet 14/ (13,483 gross square metres 15/). Commitments for future occupancy provide for the United Nations to move into an additional 50,232 gross square feet (4,668 gross square metres) on 1 February 1977 and 43,844 gross square feet (4,075 gross square metres) in August and September 1977. The provisions of the lease require the landlord to reserve the space in accordance with this schedule while the United Nations only pays rent on space which it has actually occupied.

32. When the plans for the use of the office space in the UNDC building were originally established, the United Nations Children's Fund reserved approximately 73,000 gross square feet (6,784 gross square metres) of space. In the spring of 1975 UNICEF reconsidered this plan and in June 1975 formally notified the United Nations that it had decided to remain in its present location in rented premises on East 48th Street. The United Nations did not interpose any objection to this since by then it was evident that the United Nations itself, as foreseen by the Inspectors, would need all the space in the UNDC building which it could obtain.

33. Apart from the long range shortage of space to which the Inspectors refer (see paras. 37 to 39 below) there is an immediate requirement in order to implement major proposals of the Inspectors for the improvement of space use and to initiate steps leading to the rationalization of space assignments in the Headquarters buildings. In their report on the utilization of office space at Headquarters the Inspectors concluded that the capacity of the Secretariat building, based on reasonable space allocations, should be considered as about 3,500 persons. 16/ This means that there are some 200 more persons housed in the building than there should be. The main portion of this overcrowding has occurred because of the tendency to accommodate in the Secretariat building an increasing number of high level staff who require relatively high per capita space assignments while, at the same time, as noted by the Inspectors, the Secretariat has endeavoured to hold down outside rentals by housing as many staff as possible in the Headquarters buildings. The Inspectors concluded that 40,000 gross square feet (3,717 gross square metres) of outside rented space would be needed to accommodate the 200 staff who should be moved from the Secretariat building.

34. In considering how to implement the Inspectors' recommendations on this point the Secretary-General took into consideration their advice that the space in the UNDC building could best be used by accommodating a single major unit, and to this

14/ Including common service areas.

15/ The United Nations Credit Union occupied 2,335 gross square feet (217 gross square metres) and thus the total occupancy was 234,757 gross square feet (21,818 gross square metres).

16/ A/9854, para. 24. The present population of the building remains approximately the same as in 1974, i.e. 3,700 persons.

end they suggested that those functions of the Department of Economic and Social Affairs which have a close working relationship with the UNDP should be allocated space in that building. To date the Centre for Housing, Building and Planning, the Centre for Natural Resources, Energy and Transport and the Centre for Social Development and Humanitarian Affairs have been moved from other outside rented premises to the UNDC building and it is the Secretary-General's intention that pursuant to the recommendations of the Inspectors, the Office of Technical Co-operation should be moved in February 1977 to the UNDC building. In addition to the functional advantages of this move it will provide the necessary space in the Secretariat building to permit the "loosening" up of per capita allocations and permit the assignment of additional space to the many areas in which a need exists. 17/

35. The decision of UNICEF not to move made possible the proposed consolidation of economic, social and technical co-operation activities in the UNDC building. Because the decision was not taken until June 1975, the additional rental funds which will be needed to acquire the space originally earmarked for UNICEF in the UNDC building were not included in the initial budget estimates for the biennium 1976-1977. Subsequently, the fact that the proposal is closely linked to one of the major recommendations of the Inspectors suggested that the matter would best be considered in the context of this report rather than as a part of the revised estimates for 1976-1977 submitted last year at the thirtieth session of the General Assembly. The additional space proposed for occupancy in February 1977 by the Office of Technical Co-operation and related units will cost an estimated \$514,794 18/ for the balance of the biennium.

36. As indicated in paragraph 31, the remaining balance of space in the UNDC building, in addition to that proposed for occupancy by OTC, will be taken over on 1 August and 1 September 1977, when two existing leases in other rented premises expire.

37. In their report on Headquarters accommodations the Inspectors concluded, on the basis of information available on 30 June 1974, that by the end of 1979 the United Nations would require a total of 286,646 gross square feet (26,640 gross square metres) outside of the Headquarters building. On the assumption that 123,895 gross square feet (11,514 gross square metres) would be rented in the UNDC building the shortfall to be met by rentals in other buildings would amount to 162,751 square feet (15,126 square metres). The Inspectors considered it would be possible to reduce this shortfall to some 150,000 square feet (13,946 square metres) by various measures including the removal of the specialized agencies and the offices of the three permanent missions from the Headquarters building.

17/ Almost every unit housed in the Headquarters buildings has some requirement for additional space; however, those where the situation is most serious include the Department of Conference Services (Translation Services, Verbatim Reporting), the Department of Political and Security Council Affairs, the Offices of the Secretary-General, the Department of Administration and Management (Accounts, Treasury, Field Operations, Telecommunications, Staff Training), the Office of Public Information and the Office of Legal Affairs.

18/ 50,322 square feet at \$11.18 per square foot for 11 months.

/...

38. Since the Inspectors' report was written in 1974 a number of events have occurred which would indicate that despite the increase in space that will be available to the United Nations as a result of the decision of UNICEF not to move into the UNDC building (58,000 square feet - 5,390 square metres), by the end of the period considered in the Inspectors' report the United Nations will require approximately 117,383 square feet gross (10,909 square metres) of space in outside premises other than in the UNDC building. The following table sets out the changed circumstances.

Space rentals required as of 31 December 1979

	<u>Gross</u> sq.ft.	<u>Gross</u> sq.ft.
A. Requirement as of end 1979 estimated by JIU report; A/9854, paras. 140 and 143	273,895	
B. Additional rentals unforeseen by JIU (Centre on Transnational Corporations; United Nations Special Fund; International Civil Service Commission; German Translation Service)	47,576 ⁽ⁱ⁾	
C. Total estimated requirement		321,471
<u>Less</u>		
D. Space vacated in Headquarters building as a result of moves to UNDC, etc.		19,980
<u>Sub total</u>		301,491
E. Space available in UNDC building		
- Allocation to United Nations 126,108 ⁽ⁱⁱ⁾ (Revised - 1975)		
- Remainder of UNICEF allocation 58,000 ⁽ⁱⁱⁱ⁾		184,108
F. Additional rentals required by end of 1979 in excess of availability in UNDC building		117,383

⁽ⁱ⁾/ Burroughs building 18,720 gross square feet; 485 Lexington Avenue
28,856 gross square feet.

⁽ⁱⁱ⁾/ Excludes United Nations Credit Union, 2,335 gross square feet.

⁽ⁱⁱⁱ⁾/ UNDP has rented 15,000 square feet gross of original UNICEF allocation of 73,000 square feet gross.

It should be noted that the preceding table assumes the removal from Headquarters of the liaison offices of the specialized agencies and the offices of the permanent delegations. If these removals are not effected the shortfall would increase from 117,383 square feet gross (10,909 square metres) to at least 125,000 square feet gross (11,617 square metres).

39. The substantial increase in the projected requirement for rental space as compared with the figures in the Inspectors' report has occurred because the growth rate in New York used in the estimates of both the Secretary-General and the Inspectors proved to be too low in the light of the situation which actually developed. The main causes for this underestimation were the unforeseen decisions to locate the International Civil Service Commission, the United Nations Special Fund and the Centre on Transnational Corporations in New York as well as the extension on a limited basis of the translation service to the German language.

Long-term arrangements for office accommodations at Headquarters

40. For more than 10 years the Secretary-General has been confronted with a growing shortage of office space at Headquarters. During this period a number of proposals have been put forward to deal with the problem, the most extensive of these being the construction of an eight floor office building on a plot of land immediately south of the Headquarters district. In 1971 when this project was abandoned for lack of the necessary financial support the General Assembly requested the Secretary-General to undertake a comprehensive study 19/ of the problem of office and related space and to submit a report covering, inter alia, (a) the optimum distribution of Secretariat functions between United Nations Headquarters, the United Nations Office at Geneva and any other location which may be appropriate, (b) the possibility and desirability of relocating all or part of certain units, and (c) the results of consultations with appropriate government authorities in choosing potential locations for United Nations units other than in already established major United Nations centres. Pursuant to this request the Secretary-General submitted to the General Assembly at its twenty-seventh session a comprehensive review 20/ of the problem of office accommodations at Headquarters.

41. The main conclusions of that report may be summarized as follows:

(a) The size of the staff in New York should be restricted by limiting growth to that essential for the functioning of units which must be located there and by locating new programmes outside of New York. (Despite the Secretary-General's recommendation a number of new programmes such as the Centre on Transnational Corporations, the German Translation Service and the International Civil Service Commission have been located in New York.)

(b) Consideration should be given to the possibility of relocating a number of staff from New York to other cities (already implemented in respect of the Division of Human Rights and UNSCEAR).

19/ Resolution 2895 (XXVI).

20/ A/C.5/1458.

(c) The staff remaining in New York should be housed in as few locations as possible and these should be in close proximity to Headquarters. (This is being effected through progressive utilization of space available in the UNDC building.)

42. Alternative long-range solutions to the problem of providing adequate office accommodations in New York remain as they have for years:

- (a) Construction of an office building on the United Nations site.
- (b) Purchase of an existing building.
- (c) Rental of the necessary amounts of office space.

In the light of discussions of this problem in the General Assembly, it appears to be the view of the Member States that at this time neither alternative (a) nor (b) is viable.

43. The Secretary-General would also recall the decision of the General Assembly at its thirtieth session regarding the availability of space in the Donaupark project in Vienna that "upon completion of the Donaupark project, and in so far as full use has been made of all existing space at present headquarters, no additional office space should be acquired by the United Nations in New York or at Geneva until consideration has been given first to the use of available space in Vienna". 21/

44. It would seem to be clear from the foregoing that the Secretary-General will face serious difficulties in providing accommodation for future staff growth in New York and that continued exploration of the possibility of moving additional units out of Headquarters will have to be vigorously pursued.

45. In a report to the General Assembly at its thirtieth session 22/ the Secretary-General reviewed the elements which must be evaluated when units are being considered for transfer from one location to another. He also suggested certain functional groupings which could warrant the removal of units from their existing locations to permit juxtaposition with related activities. The analysis in that report continues to be applicable to the current situation at Headquarters. The possible transfer of functions from Headquarters is, of course, closely related to the question of the utilization of the facilities to become available in Vienna in 1979 as well as the projected accommodations situation in Geneva and other current and potential centres of United Nations activities. The administrative, financial and related aspects of this question are dealt with in a separate report to the thirty-first session of the General Assembly to be submitted in response to resolution 3529, adopted at the thirtieth session of the General Assembly.

21/ Resolution 3529 (XXX), para. 3.

22/ A/10348, paras. 31-34.

46. The Secretary-General thus has concluded that, in the light of current administrative, financial and political considerations, the long-term policy for the accommodation of staff in New York should be based upon the rental of the minimum space required additional to that available in the Headquarters buildings, and the slowing of the rate of growth at Headquarters by the transfer to other locations of appropriate functions when such transfers are functionally and/or financially appropriate.

SUMMARY OF RECOMMENDATIONS AND CONCLUSIONS

47. Standards for utilization of office space

- A. Space assignments should be based on the principle that not more than one half of the junior professional staff (P-1 to P-3) should be assigned individual offices.
- B. The average allocation of space for general service staff should be increased.

48. Occupancy of space in the Headquarters buildings by non-Secretariat units

- A. The liaison offices of the specialized agencies, the IAEA and IMF should be asked to move from the Headquarters buildings.
- B. The Joint Staff Pension Fund should remain in the Headquarters building pending further review.
- C. The offices of the news organizations and the UNCA Club should remain in the Headquarters building.
- D. The three missions occupying offices in the Headquarters buildings should be consulted as to the possibility of making alternative arrangements which would permit the space which they occupy at present to be released for other urgent uses.
- E. WFUNA, AFICS and the Women's Guild should be provided offices outside Headquarters in a nearby building.

49. Rental charges to be applied in United Nations premises

- A. Rental charges should be on a gross rather than net square footage basis since this is the way charges are computed for space rented on the outside by the United Nations (see foot-note 9).
- B. There should be three categories for rental charges which in 1977 would be: (i) full market, (ii) actual cost, and (iii) concessionary (see paragraph 19).

All rates should be subject to regular adjustment based on costs to the United Nations.

/:...

- C. The Travel Agency and Bank in New York should pay the full market rate.
- D. Until removed from Headquarters in 1977 rental arrangements for the specialized agencies (except UNESCO) and the missions should remain unchanged.
- E. The news organizations at Headquarters should continue to receive office space without charge.
- F. The Credit Union and Co-operative should pay the concessional rate.
- G. No charge will be made to the Barber Shop, Cable and Wire Services, the Hospitality Committee, the Non-Governmental Organizations' Lounge, the International School, WFUNA, AFICS and the Women's Guild.

50. Current and projected office space requirements

- A. The overcrowding in the Headquarters building should be reduced by removing without replacement some 200 staff.
- B. The UNDC building should be used to the fullest extent possible to house units of the Department of Economic and Social Affairs.
- C. Over the next three years the United Nations will have need in New York for 117,383 square feet gross (10,909 square metres) of office space additional to that in the Headquarters building and UNDC building.
- D. The long-range accommodations policy for Headquarters should be based on the following elements:
 - (i) Rental of minimum additional space as necessary taking account of the limitations imposed by resolution 3529 (XXX), paragraph 3.
 - (ii) Reduction of rate of growth of staff through transfer, as appropriate, of selected units to other locations.
