

UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/33/7/Add.20
13 December 1978

ORIGINAL: ENGLISH

Thirty-third session
Agenda items 100 and 102

PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

UNITED NATIONS ACCOMMODATION

Revised estimates under sections 5C, 12, 14, 20, 22, 23, 25, 26
and income sections 1, 2 and 3

Accommodation at the Donaupark Centre in Vienna

Twenty-first report of the Advisory Committee on Administrative
and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the Secretary-General's report on accommodation at the Donaupark Centre ^{1/} in Vienna (A/C.5/33/39 and Corr.1) in which he submits revised estimates under sections 5C, 12, 14, 20, 22, 23, 25, 26 and income sections 1, 2 and 3 of the programme budget for 1978-1979.
2. As stated by the Secretary-General in paragraph 36 of his report, the General Assembly, at its thirtieth, thirty-first and thirty-second sessions has already approved appropriations totalling \$9,196,900 to meet the United Nations share of equipping and furnishing the Vienna International Centre, including the one-time costs of transferring the United Nations Industrial Development Organization (UNIDO) to the Centre. In addition, as shown in paragraph 3 (iii) of annex I to the report, an amount of \$892,000 will be requested in the first performance report to compensate for exchange rate fluctuations; if this is approved, appropriations will total \$10,088,900.
3. In addition to the above, the Secretary-General is now requesting, in document A/C.5/33/39, a net amount of \$2,080,400 to cover certain further costs of the Centre, not previously requested. The net additional requirements are summarized by the Secretary-General in paragraph 38 of his report as follows:

^{1/} Referred to subsequently as the Vienna International Centre.

	<u>US dollars</u>
(a) Costs of furnishing and equipping the Centre (savings)	(1,300,000)
(b) Other non-recurring costs of its establishment . . .	989,300
(c) Recurring costs of operation	2,308,800
(d) Other recurring costs	553,800
	<u>2,551,900</u>
United Nations Postal Administration (net revenue) .	(471,500)
	<u><u>2,080,400</u></u>

The Secretary-General provides information on items (a) to (d) above in annex I to his report; annex II concerns the establishment of a United Nations Postal Administration (UNPA) office in Vienna.

4. The Secretary-General's request is summarized by budget sections in paragraph 39 of the report. The Advisory Committee notes from paragraph 40 that the Secretary-General proposes that two additional subsections be opened in the budget, namely, section 22M (Administrative services, Vienna) and section 23E (Conference services, Vienna). The Secretary-General states that, pending a full review in the context of the 1980-1981 budget of the manner in which central services in Vienna should be budgeted, the proposed new subsections would include the costs of maintaining and operating the Centre and the additional costs of administration and conference servicing incurred by UNIDO.

5. In paragraphs 8 to 10 of the Secretary-General's report (A/C.5/33/39 and Corr.1), he outlined developments with regard to Tower A-2 of the Centre. As stated in paragraph 8, the General Assembly, in resolution 31/194, approved the proposed takeover of Tower A-2 by the United Nations and authorized the Secretary-General to enter into appropriate arrangements with the Austrian authorities and with the International Atomic Energy Agency (IAEA) to give effect to that decision. As related in paragraph 10 of the Secretary-General's report, early in 1978 the Austrian Government informed the Secretary-General that IAEA, after further consideration of its current and future space requirements, no longer wished to proceed with negotiations for the transfer of Tower A-2 to the United Nations, as had been authorized by the General Assembly in its resolution referred to above. Under those circumstances, and bearing in mind that Tower A-2 had been originally planned for the use of IAEA, the Secretary-General agreed not to proceed further with arrangements for its transfer to the United Nations, on the understanding that any consequential costs arising from the change in plans for utilization of Tower A-2 would not be borne by the Organization. This was agreed to by the Austrian authorities and IAEA; the Secretary-General's plans for space utilization

of those parts of the Centre intended for the use of both the United Nations and UNIDO have therefore been revised.

6. Accordingly, in paragraph 13 of his report, the Secretary-General states that the revised plan for occupancy of the United Nations/UNIDO share of the Centre (which, according to paragraph 3 of the report, is now scheduled for July 1979) will cover the two towers designated as U-1 and U-2, with a total capacity of 2,000 persons, plus an appropriate share of the common services and conference buildings. In paragraph 21 of his report, the Secretary-General provides a calculation of space allocation in Towers U-1 and U-2, which is modified by information provided in paragraph 22. The Advisory Committee requested a table which would present the latest estimates of space allocation, taking into account the information in paragraph 22 of the Secretary-General's report, and has been provided with the following:

	<u>Number of persons</u>
(a) UNIDO - immediate requirements in office towers U-1 and U-2 on first occupancy in 1979	1,016
(b) Units from New York and Geneva - transfer approved for 1979	181
(c) Posts to be transferred from New York in 1980 (Centre for Social Development and Humanitarian Affairs (CSDHA))	17
(d) Other units already in Vienna to be housed in the Centre (United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR): 9; Office of the United Nations High Commissioner for Refugees (UNHCR): 10; United Nations Co-ordination Office: 4)	<u>23</u>
Subtotal	1,237
(e) Anticipated growth 1979-1987 at annual 3 per cent growth rate	<u>330</u>
Subtotal	1,567
(f) Staff of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) already in Vienna	<u>250</u>
Total	1,817
(g) Capacity of Towers U-1 and U-2	2,000
(h) Theoretical surplus (equivalent of 2 1/2 floors) . . .	183

Note: In connexion with the allocation of space for UNRWA staff, the Advisory Committee notes the Secretary-General's statement in the foot-note to paragraph 19 of his report that, should the mandate of UNRWA (which expires in 1981) not be renewed for any reason, or should UNRWA decide in due course to transfer its staff elsewhere, in whole or in part, he would report to the General Assembly on use to be made of the space thus released.

7. The Advisory Committee notes from paragraph 5 of the Secretary-General's report that, in accordance with a memorandum of understanding signed between the Secretary-General, the Director-General of IAEA and the Executive Director of UNIDO, the principle of allocated responsibility has been agreed upon by which various common services have been assigned to the organizations for management and administration on a cost-sharing basis. Under the agreement IAEA will be responsible for: (a) computer services, (b) library services, (c) printing and reproduction, (d) commissary and (e) medical service. UNIDO will handle: (a) building management and operation, (b) catering facilities, and (c) language training, while the United Nations will be responsible for security. The Advisory Committee notes from paragraph 6 of the Secretary-General's report that, for the time being, certain other services, such as procurement, contracting and conference services, which could possibly lend themselves to management by one or the other organization, will continue to be provided separately and that the situation will be reviewed after the buildings have been occupied.

Observations of the Advisory Committee

8. In paragraphs 12 to 20 of annex I to his report, the Secretary-General presents estimates for the one-time costs of transfer of units from New York and Geneva to Vienna.

9. As can be seen from paragraph 17 of annex I, the estimate is based on the transfer of 57 regular-budget Professional staff members from New York and 38 regular-budget Professional staff members from Geneva at a cost of \$1,065,500 (including \$50,000 for the transport of office files, etc.). Requirements in 1979, however, will be \$151,200 less than that total because certain CSDHA staff members will remain in New York till 1980 for the reasons given in foot-note 13 in the report by the Secretary-General. The Advisory Committee understands that the balance of \$914,300 is based on the assumption that all staff members scheduled for transfer in 1979 will actually go. This, however, is not borne out by past experience. Accordingly, the Advisory Committee recommends that the estimate of \$914,300 for transfer of staff be reduced by \$164,300 to \$750,000. This recommendation will involve a reduction in the Secretary-General's estimate for section 5C by \$93,000; for section 14 by \$46,300 and for section 20 by \$25,000 (see A/C.5/33/39 and Corr.1, annex I, para. 22).

10. In section C of annex I to his report, the Secretary-General presents estimates with regard to the recurring costs of maintaining and operating the Centre. In paragraph 24 of the annex he provides a table showing the total costs of maintenance and upkeep for which the United Nations will be responsible, including those costs which will be refundable (through credits to general income) by IAEA and UNRWA. The Advisory Committee inquired into the total costs for maintenance and upkeep of the Centre for a full year at 1979 rates, including those costs payable directly by IAEA for buildings A-1 and A-2, and received the following information:

Estimated cost of maintaining The Vienna International Centre
for a full year at 1979 rates
(In thousands of United States Dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	United Nations share	Paid by United Nations but reimbursed by:	IAEA estimate for buildings A-1 and A-2	Total cost of maintaining Centre	Of which		
		UNRWA	IAEA		UN + UNRWA	IAEA	
Utilities	1 971.4	212.6	958.6	1 133.2	4 275.8	2 184.0	2 091.8
Maintenance of premises	1 157.8	120.2	539.0	551.6	2 368.6	1 278.0	1 090.6
Cleaning services and supplies	1 098.6	134.8	388.4	823.8	2 445.6	1 233.4	1 212.2
Building management staff	543.8	100.4	644.4	a/	1 288.6	644.2	644.4
Security staff	502.6	93.0	595.4	a/	1 191.0	595.6	595.4
Total	5 274.2	661.0	3 125.8	2 508.6	11 569.6	5 935.2	5 634.4

a/ Included in the preceding column.

11. As can be seen from the table above, the total full-year costs to be paid by the United Nations for maintenance and upkeep of the Centre, including refundable costs, amount to \$9,061,000 (columns 1 + 2 + 3); this figure also appears in the table in paragraph 24 of annex I to the Secretary-General's report. In addition to these costs, the Secretary-General states that expenses amounting to \$3,187,900 for a full year of operation will be incurred in a number of other areas as set forth in paragraphs 30 to 32 of annex I to his report.

12. The total costs, including refundable costs, of maintaining the Centre for a full year of operation are thus estimated by the Secretary-General at \$12,248,900. The Secretary-General estimates that half that amount, that is, \$6,124,500, will be required under section 22M for the six-month period July-December 1979, consisting of \$3,999,600 for the United Nations, \$1,568,200 for IAEA and \$556,700 for UNRWA. Reimbursement in respect of the total of \$2,124,900 for IAEA and UNRWA is shown in income section 2 (see A/C.5/33/39 and Corr.1, annex I, para. 33).

13. In considering the estimates presented by the Secretary-General for maintenance and operation of the Centre, the Advisory Committee bore in mind that they could not be based on comparable past experience. The Advisory Committee therefore regards those estimates as tentative and intends fully to review the situation as it actually develops.

14. As the Secretary-General indicates in paragraphs 24, 27 and 28 of annex I, the maintenance costs include the costs of the building management and security staff. The Secretary-General states in paragraph 29 that the costs of these two functions will be shared by both UN/UNIDO and IAEA, but it is envisaged that all related personnel will be United Nations staff members - some of them transferred or seconded by IAEA. The following table summarizes the proposed staffing for building management and security:

Present UNIDO posts	Proposed increase (decrease)			Proposed 1979 establishment
	IAEA posts	New posts	Total	
<u>Building Management</u>				
1 P	2 P	1 P	3 P	4 P
5 GS	11 GS <u>a/</u>	-	11 GS	16 GS
21 MW	31 MW <u>b/</u>	-	31 MW	52 MW
<u>Security</u>				
1 P	1 P	-	1 P	2 P
2 GS	- <u>c/</u>	(1 GS)	(1 GS)	1 GS
23 MW (S)	36 MW (S)	13 MW (S)	49 MW (S)	72 MW (S)

a/ Out of 17 current staff.

b/ Out of 36 current staff.

c/ Out of 2 current staff.

Note: As can be seen from the above table, proposed additions to be met through transfer or secondment of staff from IAEA amount to 3 Professional (P), 11 General Service (GS), 31 Manual Worker (MW) and 36 Security Officer (S) posts. The Advisory Committee has no objection to the addition of these posts. However, in view of the uncertainties referred to in the preceding paragraph, the Advisory Committee recommends that the proposed new posts (1 Professional and 13 Security Officers) should be authorized on a basis of temporary assistance, as needed, subject to subsequent review by the Advisory Committee.

15. In terms of the estimate as a whole (\$6,124,500), the Advisory Committee trusts that the Secretary-General will take measures to ensure that the buildings are occupied in the most economical way, that utilities are conserved and that maximum use is made of furniture and equipment already owned by the Organization. These measures and the fact that large areas of the building will remain unoccupied in 1979 (see para. 6 above) will, in the opinion of the Advisory Committee, lead to considerable economies. The Advisory Committee therefore recommends a reduction of \$750,000 in the estimate for section 22M; this will result in a consequential reduction of \$260,000 in the estimate of income under income section 2.

16. As stated by the Secretary-General in paragraph 34 of annex I to his report, provision has already been made in section 12 for operating expenses for UNIDO

in 1979 in a total amount of \$3,581,600, one-half of which (\$1,790,800) will not be required once the Centre is operative. However, the Secretary-General sees the need for a certain over-lapping of facilities during the transitional period and proposes not to surrender the full six-months' share of operating costs under section 12, but to retain an amount of \$100,000 to cover this period. The Advisory Committee trusts that every effort will be made to keep over-lapping to a minimum, and recommends that only \$60,000 be retained for this purpose.

17. The additional appropriations which would be required as the result of the Advisory Committee's recommendations for maintenance and operation of the Centre can be summarized as follows:

	<u>US dollars</u>
Section 12	(1,730,800)
Section 22M	<u>5,374,500</u>
Subtotal	3,643,700
Income section 2	<u>(1,864,800)</u>
Net additional appropriations	<u><u>1,778,900</u></u>

18. Additional costs of central administrative and other services are presented by the Secretary-General in paragraphs 39 to 46 of annex I to his report.

19. The Secretary-General states in paragraph 39 that it will be necessary to "strengthen temporarily the administrative support services of UNIDO (Personnel, Finance, etc.) in order to provide an adequate level of backing to the new organizational units transferring to Vienna" and to increase the level of reimbursement to IAEA for the United Nations' share of the Medical Service and the Joint Housing Unit. For the UNIDO administrative support services the Secretary-General requests a total of \$233,700 in established posts and common staff costs. Bearing in mind the temporary nature of the support required, the Advisory Committee is against the creation of established posts at this stage. Furthermore, the Advisory Committee is of the opinion that requirements for personnel and finance services will peak during the first few months and then diminish. The Advisory Committee therefore recommends that requirements be met from temporary assistance in an amount of \$150,000. The Committee intends to review the continuing requirements for these services in the context of the 1980-1981 budget proposals. For reasons of efficiency and economy, the Advisory Committee trusts that the Secretary-General will attempt to create, wherever possible, combined United Nations, UNIDO and IAEA administrative and support services. The Advisory Committee has no objection to the Secretary-General's request for \$130,600 for an additional contribution to IAEA for the United Nations' share of the Medical Service and the Joint Housing Unit.

20. For reasons similar to those expressed in the preceding paragraph, the Advisory Committee recommends that additional staff requirements for Conference services (A/C.5/33/39 and Corr.1, annex I, para. 40) be met through temporary assistance in the reduced amount of \$40,000.

21. Estimates of additional requirements for public information services are contained in paragraph 42 of annex I to the Secretary-General's report. Four additional established posts (1 P-5, 1 P-3, and 2 General Service) are requested for the UNIDO information service as from March 1979. Data provided to the Advisory Committee indicates that 2 Professional posts in UNIDO information services have been vacant for the greater part of 1978. Further, the Committee understands that 36 posts (16 Professional, 20 General Service) are available to the Information Service at Geneva. Since units are to be transferred from Geneva to Vienna, staff resources for information at Geneva should be called upon, if necessary, to meet additional requirements arising from the transfer. In the light of these considerations, the Advisory Committee recommends that only 1 additional post be established, which should be at the P-3 level. The Advisory Committee is not convinced of the need for additional funds for travel and also recommends a reduction of \$1,500 in the estimate for supplies and materials. The Advisory Committee's recommendations thus involve a reduction of \$90,600 for public information services.

22. The Advisory Committee recommends that staff for the proposed guided tours unit (1 P-2, 4 General Service) be approved on a temporary assistance rather than an established basis (see A/C.5/33/39 and Corr.1, annex I, para. 43). The Committee intends to review the requirements for such a unit in the light of experience with regard to the income it generates.

23. The Secretary-General states, in paragraph 44 of annex I to his report, that there is need for a full-time law librarian (P-4), with supporting General Service assistance, to assemble and manage the reference library material for the International Trade Law Branch. According to the Secretary-General, on a full-year basis, these posts would require expenditures of \$74,800. Applying a factor for delayed recruitment, the Secretary-General requests provision of \$56,100. The Advisory Committee points out that the reference library cannot be established before the Centre becomes operational in the latter six months of 1979; on this basis the estimate should be \$37,400, a reduction of \$18,700 from the Secretary-General's request.

24. The Advisory Committee notes that, on an annual basis, the recurring costs related to the transfer of the International Trade Law Branch to Vienna will be \$250,000 consisting of \$175,200 in additional staff costs due to variations in the cost of living between New York and Vienna (see A/C.5/33/39 and Corr.1, annex I, para. 38) and \$74,800 for the library staff. Moreover, the one-time costs of establishing the Branch in Vienna include \$138,500 for the transfer of staff and up to \$100,000 for the establishment of a reference library (see A/C.5/33/39 and Corr.1, annex I, paras. 8 and 20).

25. The appropriations which will be required as the result of the Advisory Committee's recommendations related to the central administrative and other services can be summarized as follows:

	<u>US dollars</u>
Section 12	39,400
Section 20	37,400
Section 22M	280,600
Section 23E	40,000
Income section 3	<u>30,000</u>
Total	427,400

26. The proposal for the establishment of a United Nations Postal Administration office in Vienna is contained in annex II to the Secretary-General's report. The Advisory Committee has no objection to the establishment of such an office and notes a projected increase in net revenue of \$405,100 (see A/C.5/33/39 and Corr.1, annex II, para. 9). The Committee recommends, however, that the staff resources requested in paragraph 7 of annex II to the Secretary-General's report be provided, at this time, on a temporary assistance basis. The Committee intends to review this office and its requirements as its operations develop.

Recapitulation

27. In the paragraphs above the Advisory Committee has made recommendations which involve reductions totalling \$898,700. The following table summarizes the additional appropriations which would be required should the Committee's recommendations be approved:

(In United States dollars)

Section	A. Furnishing and equipping the Centre	B. Non-recurring costs of its establishment	C. Recurring costs of operation	D. Other recurring costs	E. UNPA office at Vienna	Total
5C Department of Economic Co-operation and Development	-	424 900	-	224 200	-	649 100
12 United Nations Industrial Development Organization	-	75 000	(1 730 800)	39 400	-	(1 616 400)
14 International drug control	-	211 600	-	(389 900)	-	(178 300)
20 Legal activities	-	113 500	-	125 000	-	238 500
22M Administrative services, Vienna	-	-	5 374 500	280 600	-	5 655 100
23E Conference services, Vienna	-	-	-	40 000	-	40 000
25 Staff assessment	-	-	152 900	51 200	-	204 100
26 Alterations and improvements	(750 000)	-	-	-	-	(750 000)
1.1 Staff assessment	-	-	(152 900)	(51 200)	(66 400)	(270 500)
1.2 General income	(550 000)	-	(1 864 800)	-	-	(2 414 800)
1.3 Revenue-producing activities	-	-	-	30 000	(405 100)	(375 100)
Total	(1 300 000)	825 000	1 778 900	349 300	(471 500)	1 181 700

28. In paragraph 42 of his report, the Secretary-General proposes that in authorizing him to proceed with the implementation of his proposal, the General Assembly should also authorize him to make such "minor adjustments as he considers necessary and to report thereon to the General Assembly at its thirty-fourth session". The Advisory Committee points out that any adjustments which will entail current or future financial liability must be approved by the General Assembly.
