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Habitat: United Nations Conference on Human Settlements

Report of the Secretary-General

Addendum

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I. INTRODUCTION

1. Resolution 2, adopted by Habitat: United Nations Conference on Human Settlements in June 1976 at Vancouver, requested the Secretary-General of the United Nations to submit to the General Assembly, at its thirty-first session, together with the report of the Conference (A/CONF.70/15), 1/ a working paper on the financial implications of alternative institutional arrangements proposed in document A/CONF.70/C.1/L.9. That document constituted a draft resolution of which the preamble and sections I-IX were adopted as part of the annex to Habitat resolution 1. In addition, Habitat resolution 1 recommended that the General Assembly of the United Nations at its thirty-first session should consider the annex to that resolution and take the final decision on the remaining section X concerning the organization link, recognizing that the decision on the section would require necessary changes in the relevant parts of the resolution.
2. As provided for in paragraph 12 of the report of the Secretary-General (A/31/156), the present addendum is accordingly issued in response to resolution 2.

II. ORGANIZATION LINK AND LOCATION OF THE CENTRAL SECRETARIAT OF THE HUMAN SETTLEMENTS UNIT

3. Section X of the annex to Habitat resolution 1 leaves for decision not only the question of organizational linkage of the Human Settlements Unit within the United Nations system as indicated by its heading, but also the question of the geographical location of the central secretariat. Each of these questions is the subject of a separate recommendation in section X. Whilst the Secretary-General recognizes these two questions to be distinct, it has not been practicable in preparing the present document to cost all of the possible permutations. Hence, for the practical purposes of estimating the financial implications in response to resolution 2, the Secretary-General assumes that, should the Unit be integrated into the Department of Economic and Social Affairs, the central secretariat would be located in New York and, should it be integrated into the United Nations Environment Programme, the central secretariat would be located at Nairobi.
4. Section X also provides for the possibility of locating the central secretariat in a city other than New York or Nairobi.
5. At present, invitations to locate the central secretariat have been received from the Governments of Mexico and Austria and these invitations have been accompanied by offers to provide accommodation and other facilities for the central secretariat. In Mexico, there are no permanent facilities available at the present time and a decision to locate the central secretariat in that country would require temporary arrangements, at least during the current biennium. In respect of

1/ Report of Habitat: United Nations Conference on Human Settlements
(United Nations publication, Sales No. E.76.IV.7).

Austria, the new international conference centre in Vienna is not expected to be ready for occupancy during the current biennium and temporary accommodation would, therefore, also be required. A number of common services would be available in Vienna through the facilities of the United Nations Industrial Development Organization (UNIDO) and the International Atomic Energy Agency (IAEA) which would presumably be provided to the new institution at cost.

6. The Secretary-General has arranged meetings between members of the United Nations Secretariat and representatives of the Governments of Mexico and Austria to explore the details of these offers in order to arrive at a full understanding of the consequences of acceptance and their financial implications. While these discussions will be pursued as expeditiously as possible, the Secretary-General is not now in a position to provide any quantitative statement of financial implications of establishing the central secretariat either in Mexico or in Austria. In either case, however, there would be financial implications in respect of requirements for common services in excess of those required in New York or Nairobi. As soon as quantitative information can be provided regarding the implications of locating the central secretariat in Mexico or Austria it will be issued as a further addendum.

III. IDENTIFICATION OF HUMAN RESOURCES FOR THE HABITAT INSTITUTIONAL UNIT

7. Section III of the annex to Habitat resolution 1 provides "that a (small) and effective secretariat be established in the United Nations to serve as a focal point for human settlements action and co-ordination within the United Nations system".

8. The present units in the United Nations which would comprise this secretariat and the enumeration of its responsibilities are found in the full text of section III, which is reproduced for ready reference as annex I to this report.

9. Section IV of the annex to resolution 1, which deals with organization at the regional level, provides, under paragraph 26, that regional units should be established in the secretariats of each regional commission made up of posts already available in the budgetary resources or redeployed from the aggregate posts available to the central secretariat.

10. The Secretary-General accordingly has based his estimates on the assumption that, since the resolution specifies that the secretariat should comprise the posts and budgetary resources of existing programmes, its establishment would, irrespective of organizational link or location, not lead to any request for additional posts in the regular budget to carry out the responsibilities specified by the resolution. This does not apply to the question of human resources required for administrative support and common services should the Unit be located in a city other than Nairobi or New York, nor does it apply to the post of (Executive) Director proposed in paragraph 17 of section III.

11. The posts which have been identified under sections III and IV of resolution 1 are shown in annex II in tabular form by source.

12. The Secretary-General considers that at this point it would be premature to present the organizational structure envisaged for this new institutional unit should it be integrated into the Department of Economic and Social Affairs or the United Nations Environment Programme. This will be done in any case at the stage when the proposals reach the Fifth Committee.

13. The Secretary-General would wish to note that the location of the central responsibility of the new institutional unit should not preclude the physical location of sizable elements of the secretariat elsewhere, as indeed is provided by the terms of paragraph 26 under section IV of the annex to the resolution.

IV. SOURCES OF FUNDS

14. It will be noted that the resources specified in sections III and IV of the annex to Habitat resolution 1 are funded both by the regular budget and by extrabudgetary funds. For example, the resources of the Centre for Housing, Building and Planning of the Department of Economic and Social Affairs are of mixed funding and the resources of the United Nations Habitat and Human Settlements Foundation are entirely extrabudgetary.

15. The Secretary-General, therefore, assumes that, for the purposes of this paper, the present sources of funding will remain stable for the foreseeable future and at least throughout the current biennium. The Secretary-General would note in particular that the major source of extrabudgetary funding in the new Unit would be the Habitat and Human Settlements Foundation, the sources of which depend at the present time mainly upon grants from the Fund of the United Nations Environment Programme (UNEP).

V. IDENTIFICATION OF OTHER BUDGETARY RESOURCES

16. Paragraph 18 of section III states that "the secretariat shall comprise the posts and budgetary resources" (emphasis supplied) of certain areas of the United Nations. The term "budgetary resources", therefore, implies resources other than human resources. This would certainly include resources provided in the budget for such objects of expenditure as common staff costs, the provisions for temporary assistance and consultants, funds for travel and provision for printing as well as other objects of expenditure specifically itemized in the budget.

17. It may be asked, however, whether the "budgetary resources" would also include those costs of an administrative and supportive nature which are apportioned over the programmes to which they relate in accordance with the principles set forth in annex VI to the foreword of the proposed programme budget for the biennium 1976-1977. 2/

2/ Official Records of the General Assembly, Thirtieth Session, Supplement No. 6 (A/10006), vol. I.

18. There are approximately 75 different elements of programme support and common services costs which are apportioned over the substantive work programmes of the United Nations, each one on the basis of keys which have been developed in accordance with cost measurement studies.
19. Certainly some of the elements would be affected in varying degrees by the move of personnel from New York to Nairobi or from Nairobi to New York or from both places to any of the possible alternatives in other cities.
20. It should be noted, however, that the cost apportionment referred to in paragraph 18 above was applied early in 1975 when the present programme budget was drawn up and that it was applied only on a section-wide basis.
21. Therefore, it would be of questionable value to attempt to use this technique in respect of only certain elements of sections 5A and 13 of the budget and even if the tasks were undertaken the large number of variable elements would make it a practical impossibility.
22. More fundamentally, a very large proportion of the apportioned costs are fixed costs which are not affected by the movement of staff from one location to another and even within the variable elements the movement of less than 200 staff members would not have a significant impact on costs.
23. In fact it does not appear that any additional administrative and other support personnel would be required either in New York or in Nairobi as a result of establishing the Unit in either location. What would vary would be mainly the following:
- (a) Post adjustment of Professional staff;
 - (b) Common staff services including particularly home leave, education grant and related travel;
 - (c) Entitlement of some General Service staff to international benefits;
 - (d) Accommodation and requirements for office supplies, equipment and services;
 - (e) Communications requirements;
 - (f) Other directly variable support costs.
24. Accordingly, the Secretary-General will consider only those estimated variations in administrative and common service costs which can readily be identified and will not consider the cost apportionment data in the current budget as being within the meaning of "budgetary resources" as specified in section III.

VI. COST OF MOVING AND COST OF OPERATING

25. The submission of a statement of financial implications under regulation 13.1 of the Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.1 and Amend.1-5) implies an increment in the expenditures of the United Nations (either budgetary or extrabudgetary) as a result of adoption of a proposal before a competent body.

26. When applied to the question of establishing a new Unit of the Secretariat at a specific location or locations, there are two ways in which the financial implications may be viewed and both of these are necessary to fulfil the requirements of regulation 13.1. The first is the cost of establishing the Unit: moving and putting into operation the human and physical resources necessary to begin operations. The second is the cost of operating the new Unit over a period of time as compared to the cost had the Unit not been established. The costs of establishing the Unit may be defined as those which are of a non-recurring nature, as opposed to those of operating the Unit which are of a recurring or continuing nature.

27. The present addendum, therefore, will treat separately these two financial concepts. It is assumed that the non-recurring costs of establishment will fall within the current biennium. In addition to the cost of establishment of the Unit, there are also additional costs which may arise in the current biennium as a result of operating human settlements activities from Nairobi and New York at the same time while the move is in progress in one direction or another.

28. The costs of establishment are estimated, first, on the assumption of establishment of the Unit in New York and, secondly, on the assumption of its establishment in Nairobi. These estimates may be summarized as follows:

Object of expenditure	Non-recurrent costs	Non-recurrent costs
	of move to New York	of move to Nairobi
	\$US	\$US
Temporary assistance and consultancy	-	21,800
Common staff costs including removal costs of transferred staff	486,000	708,000
Official travel of staff	6,600	21,600
General operating expenses	19,000	75,000
Supplies and materials	-	49,000
Furniture and equipment	96,300	134,400
	<u>607,900</u>	<u>1,009,800</u>

29. Should the Unit be established in New York, it is assumed that the regular budget would bear the costs of removal of the United Nations Habitat and Human Settlements Foundation staff members since the cost of relocating this activity is beyond the scope of its obligations under the terms of reference of General Assembly resolution 3327 (XXIX) of 16 December 1974.

30. The additional costs of operating human settlements activities both in Nairobi and New York while the move is in progress would be, during 1977:

- (a) Establishment in Nairobi \$120,000
- (b) Establishment in New York \$ Nil (see annex III)

31. The Nairobi figure takes account of an offer by the Government of Kenya to provide office accommodation for the Unit free of charge until such accommodation becomes available in the new UNEP headquarters building.

32. Details of these estimates of the cost of establishment of the Unit in New York and in Nairobi, broken down by object of expenditure and by year, are provided in annex III below.

33. With respect to the costs of operation of the new Unit over a biennium once the move has been completed, it is extremely difficult to make more than a rough guess in view of the multiple imponderable factors, among which inflation and currency fluctuation are only two.

34. Nevertheless, indications are that operating a Unit of the size indicated by the resolution, that is approximately 200 staff members, would cost the regular budget over a biennium approximately \$5.5 million in Nairobi and \$7.5 million in New York at 1977 prices. These figures are exclusive of the salaries and other costs funded by extrabudgetary resources.

35. The difference is accountable in part to an estimate savings on post adjustment and General Service salaries and rental costs in Nairobi counterbalanced in part by higher communication, travel and common staff costs.

36. Should the Unit be located in Mexico or in Austria, the costs of the required additional administrative and common services could be of the magnitude of \$1 million in either country. The estimates of approximate operational costs for Nairobi and New York are shown in annex IV below.

VII. AUDIO-VISUAL ACTIVITIES

37. Habitat resolution 5 recommended that the General Assembly establish an audio-visual information centre on human settlements and that the General Assembly of the United Nations authorize the Secretary-General of the United Nations to conclude an agreement with the University of British Columbia for the custody, reproduction, use and augmentation of the materials for a period of no more than five years. The resolution furthermore authorized the Secretary-General of the

United Nations to enter into a suitable interim agreement with the University of British Columbia for the temporary custody, care and management of the information material generated by Habitat, pending a final decision of the General Assembly on the resolution.

38. The Secretary-General has entered into such an agreement and the University of British Columbia is prepared to extend this agreement on the present terms for such period as the General Assembly may decide. It is explicitly understood that such an extension would not have financial implications on the United Nations within the meaning of regulation 13.1 of the Financial Regulations and accordingly the Secretary-General is prepared to proceed with extension of the agreement with the University of British Columbia whenever so authorized by the General Assembly.

ANNEX I

Excerpt from the annex to resolution 1 of Habitat:
United Nations Conference on Human Settlements

...

III. Human Settlements secretariat

16. Recommends that a (small) and effective secretariat be established in the United Nations to serve as a focal point for human settlements action and co-ordination within the United Nations system;

17. Recommends further that the Human Settlements secretariat be headed by an (Executive) Director who shall be nominated by the Secretary-General of the United Nations and who shall have the rank of (Assistant Secretary-General) (Under-Secretary-General);

18. Recommends further that the (Executive) Director shall be responsible for the management of the secretariat which shall comprise the posts and budgetary resources of the following (further clarification necessary on precise interpretation):

(a) The Centre for Housing, Building and Planning of the Department of Economic and Social Affairs;

(b) The appropriate section of the Division of Economic and Social Programmes of the United Nations Environment Programme directly concerned with human settlements, with the exception of the posts required by UNEP to exercise its responsibilities for the environmental aspects and consequences of human settlements planning;

(c) The United Nations Habitat and Human Settlements Foundation;

(d) As appropriate, selected posts and associated resources from relevant parts of the Department of Economic and Social Affairs;

19. Recommends further that the secretariat under the leadership of its (Executive) Director shall be entrusted, inter alia, with the following responsibilities:

(a) To ensure the harmonization, at intersecretariat level, of programmes planned and carried out by the system;

/...

(b) Under the guidance of the intergovernmental body, to assist in co-ordinating human settlements activities within the United Nations system, to keep under review their implementation and to assess their effectiveness;

(c) To execute projects on behalf of UNDP;

(d) To provide the focal point for a global exchange of information on human settlements;

(e) To provide substantive support to the intergovernmental body;

(f) To deal with interregional matters;

(g) To supplement the resources of the regions when so required, particularly in areas of specialization;

(h) To promote collaboration with, and involvement of, the world scientific community concerned with human settlements;

(i) To establish and maintain a global directory of consultants and advisers to supplement the skills available within the system and to assist in the recruitment of expertise at the global level, taking into account the expertise in developing countries;

(j) To initiate major public information activities in connexion with human settlements;

(k) To promote the further and continued use of audio-visual material related to human settlements;

(l) To carry out the mandate and responsibilities previously assigned by the appropriate legislative bodies to the secretariat units to be absorbed in the central staff;

(m) To implement programmes until they are shifted to the regional organizations;

20. Recommends further that a group of representatives appointed by the Governments at a regional level be created to support the Secretary-General in the adequate implementation of recommendations for the institutional administrative structure above mentioned.

ANNEX II

Existing posts available for redeployment to the proposed Human Settlements Unit

Source (Grade)	UNRHSF a/ (Ex. B.)	UNEP b/ (Ex. B.)	Department of Economic and Social Affairs		Regional commissions (R.B.)	New post requirements (R.B.)	Total		
			Substantive (R.B.)	OTC d/ (R.B.)			R.B.	Ex.B.	Both
ASG	1	-	-	-	-	1	1	1	2
D-2	2	-	-	-	-	-	1	1	3
D-1	3	1	4	-	-	-	1	1	9
P-5	5	-	7	-	5	-	10	10	22
P-4	8	-	8 e/	5 e/	5	-	27	10	37
P-3	8	1	1	-	6	-	15	10	25
P-2/1	1	1	5	-	-	-	5	2	7
Total, Professional	28	3	30	8	16	1	60	45	105
General Service	57	1	19	4	11	-	39	68	107
GRAND TOTAL	85	4	49	12	27	1	99	113	212

Note: Ex. B. = extrabudgetary; R.B. = regular budget.

- a/ United Nations Habitat and Human Settlements Foundation.
- b/ UNEP has indicated that it will require these posts to exercise its continuing responsibilities for the environmental aspects and consequences of human settlement planning in accordance with sect. III, para. 18 (a) of the annex to Habitat resolution 1.
- c/ Centre for Housing, Building and Planning.
- d/ Office for Technical Co-operation.
- e/ Assumed grade pending positive identification of appropriate posts for transfer.

ANNEX III

Preliminary estimates of non-recurrent costs relating to
 move of proposed Human Settlements Unit

A. From New York to Nairobi
 (In United States dollars)

<u>Object</u>	<u>Cost</u>	
SALARIES		21 800
034 General Temporary Assistance	9 800	
041 Consultancy (computerization)	7 000	
046 Consultancy travel	3 000	
054 Overtime	2 000	
COMMON STAFF COSTS		708 000
125 Medical examinations	2 000	
152 Travel on transfer	238 000	
155 Installation allowance	156 000	
156 Household removal	312 000	
TRAVEL		21 600
222 Travel to attend official meetings	15 000	
242 Other official travel	6 600	
CONTRACTUAL SERVICES		Nil
300		
GENERAL OPERATING EXPENSES		75 000
412 Minor alterations to premises	1 000	
446 Telephone - long distance	4 000	
449 Pouches	10 000	
498 Office removal expenses	60 000	

<u>Object</u>	<u>Cost</u>	
SUPPLIES AND MATERIALS		49 000
531 Library books	30 000	
535 Microfilm	15 000	
537 Library supplies	1 000	
592 Data processing supplies	1 000	
597 Uniforms	1 000	
599 Miscellaneous supplies	1 000	
FURNITURE AND EQUIPMENT		134 400
611 Furniture and fixtures	69 700	
612 Office equipment	44 900	
631 Internal reproduction equipment	1 600	
641 Vehicles	16 000	
691 Buildings maintenance equipment	1 000	
694 Security equipment	1 200	
TOTAL, non-recurrent items		<u>1 009 800</u>

B. From Nairobi to New York

(In United States dollars)

<u>Object</u>	<u>Cost</u>	
COMMON STAFF COSTS		486 000
125 Medical examinations	850	
152 Travel on transfer	64 150	
155 Installation allowance	46 000	
156 Household removal	375 000	
TRAVEL		6 600
242 Other official travel	6 600	

<u>Object</u>	<u>Cost</u>	
GENERAL OPERATING EXPENSES		19 000
449 Pouches	3 000	
498 Office removal expenses	16 000	
FURNITURE AND EQUIPMENT		96 300
611 Furniture and fixtures	88 800	
612 Office equipment	7 500	_____
TOTAL, non-recurrent items		<u>607 900</u>

ANNEX IV

Provisional estimate of operating budget 1978-1979 at 1977 prices

A. In Nairobi
(in United States dollars)

Salaries

011 Established posts	
012 As per staffing table plus one Assistant Secretary-General (78,470)	= 1 896 960
014 General Service staff (Nairobi) 27	= 264 600
TOTAL, Established posts	= 2 161 560
020 Supplementary staff	= 144 000
030 Temporary assistance	= to be determined
040 Consultants	= 332 000
050 Overtime	= 32 400
060 <u>Ad Hoc</u> Expert Groups	= 113 000
091 Language training	= <u>12 000</u>
TOTAL, Salaries	= <u>2 794 960</u>
100 Common staff costs at 50 per cent of established posts	= 1 080 780

200	Travel		
	224	100 000.00	
	242	<u>352 400.00</u>	452 400.00
300	Contractual services (Cleaning)	16 000.00	
	340 Printing	<u>50 000.00</u>	66 000.00
411	Rental and maintenance of premises	5 000.00	
413	Supplies for maintenance of premises	4 000.00	
415	Miscellaneous maintenance	4 000.00	
421	Electricity	24 000.00	
423	Water	12 000.00	
431	Rental and maintenance of office equipment	20 000.00	
432	Maintenance of transport equipment	14 800.00	
434	Rental and maintenance of data processing equipment	72 000.00	
436	Petrol and other lubricants	8 000.00	
441	Cables and telexes	48 800.00	
443-7	Telephones	21 600.00	
448	Postage	15 200.00	
449	Pouches	15 200.00	
463	Reproduction of documents	30 000.00	
464	Distribution of documents	40 000.00	
	Freight	<u>3 500.00</u>	
	TOTAL, General operating expenses	<u>338 100.00</u>	338 100.00
500	Supplies and materials	221 800.00	221 800.00
600	Furniture and equipment	113 100.00	113 100.00
700	To be determined		
	TOTAL		<u>5 067 140.00</u>
	GRAND TOTAL, Including apportioned cost estimates		<u>5 500 000.00</u>

B. In New York

(a) Utilizing base of 1976-1977 budget for section 5A of budget and adding costs of staffing table posts transferred from other sections:

	<u>\$</u>
(b) Section 5A	
Direct costs	2 998 600
Additional transferred posts, including common staff costs	<u>682 864</u>
TOTAL, Direct costs	<u>3 681 464</u>
Apportioned cost "Estimate"	<u>3 831 727</u>
TOTAL	<u><u>7 513 191</u></u>
