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UNITED NATIONS ACCOMMODATION

Accommodation at the Donaupark Centre in Vienna

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

Report of the Secretary-General

I. INTRODUCTION AND BACKGROUND TO 1976

1. The General Assembly in resolution 31/194 of 22 December 1976, recalled its earlier resolutions 1/ on the use of office accommodations and conference facilities in the Donaupark Centre in Vienna 2/ and authorized implementation of certain recommendations contained in the reports of the Secretary-General 3/ and the Advisory Committee on Administrative and Budgetary Questions 4/ on this subject. Specifically, it authorized the Secretary-General to enter into appropriate arrangements with the International Atomic Energy Agency and the Government of Austria concerning occupancy of the eight-storey office building known as Tower A-2 which originally was intended solely for IAEA needs. It also approved a phased plan of action for the transfer of existing organizational units from New York and Geneva to Vienna. To implement this phased plan of action, it agreed to the transfer of the units detailed by the Secretary-General

1/ Resolutions 3350 (XXIX) and 3529 (XXX).

2/ To be referred to subsequently in this report as the Vienna International Centre (or the Centre).

3/ A/C.5/31/34.

4/ A/31/452.

in paragraphs 17-23, 29-36 and 41 of his report. 5/ Finally, it requested the Secretary-General:

(a) To submit to the thirty-third session of the General Assembly concrete proposals to complete the phased plan of action;

(b) To ensure that the success of the United Nations Decade for Women and of the world conference to be held in 1980 would not be adversely affected by the moves contained in the phased plan of action;

(c) To report to the General Assembly at regular intervals on the implementation of the resolution.

2. The report which follows provides a current picture of the status of the project and outlines the measures taken by the Secretary-General to implement the directives in resolution 31/194.

## II. DEVELOPMENTS SINCE 1976

### Current status of project

3. Although the construction schedule anticipated occupancy of the office buildings at the end of 1978 or early in 1979, they will now become available to the international organization by mid-year 1979, with the formal inauguration ceremonies being set by common agreement for 23 August 1979. It is expected that the conference and common service buildings will also be sufficiently complete to permit use at that time, with the possible exception of a number of pieces of sophisticated equipment such as the IAEA computer (which also serves UNIDO), the installation of which will be completed later in 1979.

### Headquarters agreement

4. Several working parties consisting of representatives of the Government of Austria, the IAEA and the United Nations have been formed to develop the necessary legal agreements governing the use of the Centre. Three separate agreements are planned, one between Austria and IAEA relating to the buildings exclusively assigned to IAEA; one between Austria and the United Nations relating to the buildings exclusively assigned to the United Nations; and one signed by all three parties relating to the use of the conference and common services buildings which will be used jointly. These agreements are to be ready for signature during the course of 1979.

### Memorandum of understanding

5. In March 1977 a memorandum of understanding was signed between the Secretary-General, the Director-General of IAEA and the Executive Director of UNIDO which

spelled out the principle of allocated responsibility under which various common services were 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) buildings management and operation, (b) catering facilities, (c) language training, while the United Nations will be responsible for security.

6. 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. It is agreed that they will be reviewed after the buildings have been occupied and experience gained with the services whose allocation has already been determined.

#### Co-ordination and planning office

7. The Office of Co-ordination in Vienna was established effective 1 May 1978 and is serving as the focal point for planning and liaison of all aspects of the move of units to Vienna and the development of arrangements for the occupancy and management of the Centre's buildings and facilities. The Office maintains close contacts with the Austrian authorities, IAEA, UNIDO as well as the United Nations offices in Geneva and New York.

#### Retention of Tower A-2 by IAEA

8. It will be recalled that, as a result of the conclusion reached by the International Atomic Energy Agency in 1974-1975 that it would not require for its own use in the near future the second and smaller of its two office towers (A-2), the Government of Austria invited the United Nations to make use of this office space by transferring additional units of the United Nations Secretariat to Vienna. At the request of the General Assembly, 6/ the Secretary-General made a study of this question and in his report to the thirtieth session of the General Assembly, 7/ after consultation with IAEA, recommended that the United Nations should take advantage of the offer by the Austrian Government and the IAEA and agree that Tower A-2 should be taken over by the United Nations. In annex III of his report, the Secretary-General presented a draft text of a proposed agreement to be executed by the Government of Austria, the IAEA and the United Nations, giving effect to the transfer, while preserving for the IAEA a priority right to the use, if required, of any additional space in office Tower A-2 not needed by the United Nations. In its resolution already referred to in paragraph 1, 8/ the General Assembly approved the proposed take-over of Tower A-2 by the United Nations and authorized the Secretary-General to enter into appropriate arrangements with the Austrian authorities and with IAEA to give effect to this decision.

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6/ Resolution 3350 (XXIX).

7/ A/10348.

8/ Resolution 31/194.

9. In complying with the request of the General Assembly contained in the earlier resolution to present a comprehensive report on the optimum use to be made of the office space to be made available to the United Nations in the Vienna International Centre, the Secretary-General took into account the fact that the office space available in Tower A2 as well as any space in Towers U-1 and U-2 not immediately required by UNIDO would be available to meet other United Nations needs. He, therefore, submitted in his phased plan of action a set of proposals based on the premise that the United Nations, in addition to sharing the occupancy of the conference and common services buildings on an agreed basis with the IAEA, would have available to it for substantive units of the Secretariat three of the four office towers being constructed. 9/

10. In the meantime, early in 1978, the Austrian Government informed the Secretary-General that the IAEA, after further consideration of its present 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. 8/ Under these circumstances, 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 the IAEA; the Secretary-General's plans for space utilization of those parts of the Centre intended for the use of United Nations-UNIDO have therefore been revised accordingly.

11. In other respects as well, the phased plan of action presented by the Secretary-General in his report to the thirty-first General Assembly 10/ has had to be modified. It will be recalled that the plan presented in that report covered a period of several years from the anticipated first year of occupancy (1978) to 1983-1984. As noted in paragraph 3 above, unavoidable delays in the completion of construction have meant that the completion date and the revised target date for first occupancy of the Centre have been set back to mid-1979. This change in time-table, together with the return of office tower A-2 to the IAEA has caused a delay in the plans for UNIDO occupancy of the Centre, as well as a re-examination of the need to propose additional units to be transferred from New York and Geneva beyond those already approved in 1976.

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9/ A-1 (21 floors) exclusive for IAEA; A-2 (8 floors); U-1 (17 floors) and U-2 (12 floors) exclusively for the United Nations (including UNIDO).

10/ A/C.5/31/34.

### III. REVISED PLAN OF ACTION FOR UN-UNIDO

#### The present situation resulting from changes since 1976

12. It will be recalled 11/ that the capacity of the four office towers, the conference and common service buildings taken together has been established at 4,500 to 4,700 persons, distributed approximately as follows:

	<u>Capacity</u>
Tower A1 (21 floors) and A2 (8 floors) exclusively for IAEA	2,000
Tower U1 (17 floors) and U2 (12 floors) exclusively for UN-UNIDO	2,000
Conference building (IAEA + UN-UNIDO)	150
Common services building (IAEA + UN-UNIDO)	<u>550</u>
TOTAL	4,700

13. It follows from the foregoing that the revised plan for occupancy of the UN-UNIDO shares of the Centre will consist of the two towers designated as U-1 and U-2, with a total capacity of 2,000 plus an appropriate share of the common services and conference buildings. While the capacity of these last-mentioned units is set at 700, this number includes an estimated 200 persons representing specialized agencies' liaison officers plus commercial services (bank, press representatives, commercial telecommunications, contractual services, etc.) leaving the remaining 500 spaces to be shared on an agreed basis between IAEA and UN-UNIDO. While no exact division between these two main partners can be made at this time, pending a precise determination of the numbers of staff required in a wide variety of common service activities (restaurant and catering services, commissary, computer services, printing, building maintenance, security, etc.) it may be assumed for purposes of this report that the UN-UNIDO share will be about half of the total and possibly somewhat more. For purposes of these calculations, it is assumed that in the common services and conference building, the distribution will be 250 (UN-UNIDO), 250 (IAEA) and 200 (specialized agency liaison and commercial services, etc.).

14. This will mean that the revised plan for full occupancy of the space to be made available when the Donaupark complex becomes ready for occupancy in mid-1979 will be as follows:

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11/ Ibid., para. 4.

UN-UNIDO	IAEA
Office Tower U-1 . . . . .	Office Tower A-1 . . . . .
Office Tower U-2 . . . . . 2,000	Office Tower A-2 . . . . . 2,000
Conference and common services . . . . . <u>250</u>	Conference and common services . . . . . <u>250</u>
2,250	2,250
_____ 4,500 _____	
Specialized agencies' liaison and commercial services	<u>200</u>
TOTAL	4,700

The office towers U-1 and U-2

15. In developing his plan for the optimum use of the space to be made available to UN-UNIDO, the Secretary-General has kept in mind the fact that original plans for the Centre were intended to provide a permanent headquarters for UNIDO reasonable future needs as well as for its permanent requirements. This means, in the judgement of the Secretary-General, that UNIDO's needs for present and future space should have priority over other uses to which the space available to the United Nations may be put.

16. In his reports to the thirtieth and thirty-first sessions of the General Assembly, 12/ the Secretary-General estimated that in 1979, when the agencies are scheduled to move into the Centre, UNIDO would require accommodation for approximately 1,400 staff members (regular and extrabudgetary) and associated personnel (consultants, commercial and contractual personnel, other agency representatives, conference staff and other temporary assistance), either in the UNIDO towers or in the common service and conference buildings. More accurate figures given with respect to UNIDO requirements alone now show a somewhat smaller figure for 1979, as follows:

1977 - authorized UNIDO establishment - regular budget posts	757
extrabudgetary posts	271
1978-9 - additional posts authorized	45
World Bank staff detailed to UNIDO (1978)	11
"Floating" staff for whom office space required (consultants etc.)	<u>45</u>
	1,129

12/ A/10348, annex II, p. 1; A/C.5/31/34, para. 6.

Comparison with the capacity for office Tower U-1 (1,170) shows that UNIDO requirements for the current biennium are almost exactly equal to the capacity of Tower U-1; and on the basis of the normal growth rate experienced by the United Nations Secretariat as a whole (3 per cent compounded annually), UNIDO will require additional space in Tower U-2 by the time the following biennium (1980-81) is ending. In order to provide UNIDO with the growth requirements for the 8-year period considered by ACABQ as being the normal provision for newly constructed buildings, it is considered that three floors of Tower U-2 would have to be set aside, over and above Tower U-1 in its entirety to meet UNIDO requirements (estimated at 1,430) to the end of 1987.

17. On the basis of the foregoing, the Secretary-General estimates that a total of 20 floors of Towers U-1 and U-2 (all of U-1 plus 3 floors in Tower U-2) will be required to meet UNIDO immediate (as of 1979) and medium-term growth requirements. Between 16 and 17 floors (representing substantially all of Tower U-1) will be required immediately for UNIDO in 1979 when the move is scheduled to take place; and not less than 3 floors, including at least 3 floors in Tower U-2 will be needed to meet UNIDO's reasonably anticipated growth requirements over the following eight years.

18. Following provision for UNIDO immediate and medium-term future needs, there will remain, if the foregoing estimates are accepted as accurate, no more than 9 floors of office Tower U-2 with a capacity of approximately 620 persons, in which substantive units of the United Nations Secretariat can be accommodated. By decisions of the General Assembly taken at the thirty-first session when approval was given to the proposals contained in the Secretary-General's report, the following units have already been informed that they will be transferred to Vienna (from New York and Geneva, respectively) in mid-1979:

From New York

Centre for Social Development and Humanitarian Affairs <u>13/</u>	83
International Trade Law Branch	15

From Geneva

Narcotics Group, consisting of Division of Narcotic Drugs, International Narcotics Control Board and United Nations Fund for Drug Abuse Control	87
Social Affairs Division	<u>13</u>

TOTAL	198 <u>14/</u>
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13/ In order to complete the preparation of documentation required for the World Conference on Women and the World Conference on Prevention of Crime and Treatment of Offenders (to be held in mid-1980) the transfer of a small number of Professionals belonging to the CSDHA will take place in 1980 instead of 1979.

14/ Of which 119 are Professionals and 88 General Service.

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Included within the Narcotics Group is the Narcotics Laboratory which will require a full floor to itself and which will be housed on the top floor of Tower U-2. Special arrangements will likewise have to be made for housing, on one floor in Tower U-2, the International Trade Law Library (to which reference is made later in this report) as well as the offices of the Branch itself. It is clear, therefore, that to meet the immediate requirements and the growth needs of the units already earmarked to move from New York and Geneva in 1979, not less than five floors of Tower U-2 will be required.

19. From all of the foregoing, the Secretary-General concludes that, after provision has been made for accommodating UNIDO and the units thus far mentioned (together with their medium-term growth needs) in Towers U-1 and U-2, no more than four floors will remain available in Tower U-2 for other purposes. In this connexion, it should be noted that, as a result of unsettled conditions in Beirut, it has been found necessary to move a number of units of the UNRWA from that duty station and relocate them (as was previously done in 1976 under similar emergency circumstances) partially in Amman and partially in Vienna. The UNRWA component transferred to Vienna in July 1978, numbering approximately 250, has been accommodated temporarily by the Austrian authorities in quarters provided at the Government's expense, at a cost of several million Austrian schillings, pending the availability of accommodation in the Centre. In order to accommodate UNRWA in Tower U-2, a maximum of four full floors will be required, thus taking up in effect all of the remaining space in the second UN-UNIDO tower. 15/

20. To summarize, the space available on the 29 floors of Towers U-1 and U-2 will be required in its entirety over a period of very few years following the opening of the Vienna International Centre for the following purposes:

Tower U-1 - space equivalent to at least 16 of the 17 floors will be required immediately in 1979 to accommodate present UNIDO staff and associated personnel (in excess of 1,100)

- space equivalent to the one remaining floor in Tower U-1 will be required to provide normal growth space for UNIDO over the next biennium (1980-81)

Tower U-2 - Space equivalent to at least 3 of the 12 floors will be required in successive biennia (1982-3, 1984-5 and 1986-7) at the rate of one floor per biennium to meet the normal growth requirements (3 per cent per annum) of UNIDO over the medium-term future

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15/ The present mandate of UNRWA expires in 1981. Should the mandate, for any reason, not be renewed, or should UNRWA decide in due course to transfer some or all units of its staff elsewhere, the Secretary-General would report to the General Assembly on the use to be made of the space thus made available.



- space equivalent to at least 4 floors will be required immediately in 1979 to accommodate the units approved already by the General Assembly for transfer from New York and Geneva (198) including a separate floor for the Narcotics Laboratory and space for the International Trade Law Library
- space equivalent to one floor will be required to provide for the normal growth requirements of these units over the medium-term period
- space equivalent to at least four floors will be required immediately in 1979 to accommodate the personnel (250) of UNRWA already in Vienna, with no provision for future growth.

21. The conclusion to be drawn from the foregoing paragraph is that no space will be available in Towers U-1 and U-2 (other than on a temporary basis) to accommodate additional units than those already mentioned. This conclusion is corroborated by the following calculation:

UNIDO - immediate requirements on first occupancy in 1979	1,129
Units from New York and Geneva - already approved	198
UNRWA staff already in Vienna	<u>250</u>
Ready for immediate occupancy 1979	1,577
Anticipated growth 1979-1987 at normal 3 per cent growth rate	<u>420</u>
Expected occupancy 1987	1,997
The capacity of Towers U-1 and U-2 is	2,000

22. The foregoing calculations assume, of course, that all of the present and future UNIDO personnel will be housed in the office tower space (U-1 and U-2). This will not, in fact, be the case. In his report to the thirtieth session of the General Assembly (A/10348), the Secretary-General estimated that perhaps 15 per cent of the UNIDO staff would be located in the common services and conference buildings. Such an estimate would mean that approximately 170 UN-UNIDO personnel of various categories (maintenance, security, etc.) would be accommodated in the conference and common services buildings, leaving an additional 2-1/2 floors available in the office towers. On further review, the Secretary-General now considers that the estimate referred to is on the high side and should be revised to not more than 10 per cent, which will mean that not more than 1-1/2 floors in the office towers would be available for occupants other than the units already referred to. This space would be required to take care of a number of miscellaneous units not previously accounted for, some of which are already located in Vienna. These include the United Nations Scientific Committee on the Effects of Atomic Radiation (9 including consultants), Office of the High Commissioner for Refugees in Vienna (10), United Nations Co-ordination Office (4) and a small information component. After units such as these have been provided for, not more

than the equivalent of one floor will remain available as a theoretical contingency reserve for office space in towers U-1 and U-2. It should be noted that this reserve will not be available in a single block of space but will be scattered in smaller areas over a number of partially occupied floors.

#### Conference and common services buildings

23. As indicated in paragraphs 12 to 14 above, the capacity of the combined conference and common services buildings is 700 - 550 for the common services buildings and 150 for conference services. As previously stated in the Secretary-General's report to the thirtieth session of the General Assembly (A/10348, annex 1), the two common services buildings contain a total of 16 floors of usable space 16/ while the conference building provides seven usable floors in addition to the main entrance level. But these are not buildings designed predominantly for office use. In considering plans for the occupancy of these units, the prime factor is not the number of persons to be accommodated but rather the space requirements of the numerous services to be housed therein. The conference building, for example, contains nine meeting rooms, 17/ the largest of which will accommodate approximately 90 representatives (each with two advisers) while the remaining seven meeting rooms have smaller capacities, ranging from a minimum of 30 to a maximum of 72. Booths for interpreters, sound engineers and projection facilities have to be provided in this building unit, as well as lounges for delegates and related facilities. The conference and common services buildings, together, must provide working space for such diverse services as the following:

1. temporary and part-time conference staff  
(separately for IAEA and UN-UNIDO, as the occasion requires)
2. procurement and contracting
3. specialized agency liaison offices
4. commercial services
  - bank
  - post office
  - press representatives
  - travel agency
  - telecommunications

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16/ Excluding four mechanical floors in the common services buildings and five mechanical floors in the conference building.

17/ Subject to further discussions as to the additional needs of IAEA, one of the two largest meeting rooms and two of the smaller ones have been reserved by agreement exclusively for the use of IAEA; the remaining six have been allocated primarily to UN-UNIDO.

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5. common services - IAEA responsibility
  - library services
  - commissary
  - printing and reproduction
  - computer facilities
  - medical services
6. common services - UN-UNIDO responsibility
  - building management and operation
  - security
  - restaurant (to seat 750 (to be contracted out))
  - cafeteria (to seat 1,000 (to be contracted out))
7. UN-UNIDO services
  - guided tours
  - U.N. Postal Administration philatelic sales unit
  - language training facilities
8. Other
  - public information studies
  - visitors briefing room
  - press area
  - film projection room
  - conference documents distribution facilities
  - joint housing information unit
  - staff welfare and recreation facilities

24. While precise estimates cannot be made at this stage as to the staffing requirements for each of the services listed, it is clear that, when all are in place and fully functioning, the total of personnel to be housed in the conference and common services buildings, inclusive of UN-UNIDO, IAEA and non-Secretariat personnel (commercial or contractual) will be close to the capacity of these building units. It is now estimated, for example, that in house manpower requirements for building maintenance and upkeep (a service for which UN-UNIDO will assume responsibility on a cost-shared basis with IAEA) will number 72; 18/ that a force of approximately 75, including existing IAEA and UNIDO security personnel, will be required to assure the security of the total complex, of which 26 will be supplied from the existing UNIDO establishment, 15 additional will be recruited and the balance will be transferred

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18/ This will include 27 staff members already employed by UNIDO, staff members taken over from IAEA and a certain number of additional staff. The estimate is reduced from the number of 107 shown in A/10348, annex II, p. 1.

or seconded from IAEA; and that temporary and casual staff required to meet peak loads at the time of important UNIDO conferences (based on past experience) will amount to approximately 80. Staff requirements for the 750-seat restaurant and the 1,000-seat cafeteria, based on experience with similarly contracted-out services in New York and Geneva, will approximate 100-150. These four major common services will thus account for about 50 per cent of all the personnel to be accommodated in the Conference and Common Services buildings. While few of the other units listed in paragraph 23 are likely to need more than 10 to 20 staff to provide the service required of them, it seems evident that when full conference and common services are installed and functioning properly to serve the needs of IAEA, UNIDO and other United Nations units to be housed in the office towers, the numbers to be accommodated in the non-office portions of the Centre will closely approximate the capacity of the units mentioned in paragraphs 12-14 of this report.

25. From the information presented in the earlier part of this report it will be clear that when the Vienna International Centre is ready for occupancy in the summer months of 1979 the organizational units already approved by the General Assembly for transfer from New York and Geneva to Vienna, together with the larger units already there, will require for their accommodation, most of the space available for the use of the United Nations (including UNIDO and UNRWA) leaving only a modest amount of space in reserve for normal growth. Should it become apparent at a later date that unused space is still available on an economical basis in the Centre and likely to continue to be available for a reasonable period of time, he would bring the matter once again to the attention of the General Assembly for its consideration.

#### Other requirements

26. Reference was made in the Secretary-General's report to the General Assembly in 1976 (A/C.5/31/34, para. 23) to the need to strengthen the information component (presently forming part of the UNIDO establishment) in Vienna at the time additional units of the Secretariat are transferred to the Centre in 1979. While the numbers of staff being transferred are not large compared to the size of UNIDO itself, the units being transferred represent a variety of programmes disproportionate to their numbers; the very diversity of these programmes will place a considerable additional burden on the information facilities presently available in the United Nations through UNIDO in Vienna, and thus justify a modest increment of staff and resources to carry the added load.

27. Clearly the new Centre, will attract a great deal of attention in Austria and elsewhere both at the time of its opening in August 1979 and on a continuing basis. The Austrian public in particular will, it is expected, be keenly interested in visiting the new facilities which represent a substantial investment on their part in the work of the United Nations. To meet this expected demand, it is proposed that a small guided tours unit (consisting of a chief, a cashier/dispatcher, and three guides) be established on a self-financing basis, with revenues from the tours meeting largely, if not entirely the costs of providing the service. Experience will determine the need for further expansion of the service, which should depend on whether the actual volume of visitors justifies additional staff.

28. At the time of the official opening as well as for a short period before and after, extra assistance in the information and publicity fields, as well as in the matter of guided tours may be required. For this purpose temporary assistance funds will be required.

29. The details of the additional requirements for the strengthening of the information services in Vienna, for the establishment of a guided tours service, and for exhibits and other expenses related to the official opening, will be set out in Annex I to this report, dealing with the over-all financial implications. The question of the establishment of a full United Nations Information Service (including UNIDO's present component) along lines similar to that existing in Geneva, will be re-examined later in the light of experience.

30. The opening of the Centre will be marked, *inter alia*, by the issue of a series of United Nations stamps with denominations in Austrian currency. It is anticipated that as a result of the interest aroused in the work of the United Nations through the establishment of the new International Centre in Vienna and the transfer of organizational units of the Secretariat to their new duty station, a substantial increase in the volume of philatelic sales will result. The sale of United Nations stamps in Austrian currency denominations is expected to yield on a world-wide basis a profit in 1979 in excess of \$400,000 after all related costs of issue have been met. The Secretary-General considers that in conjunction with the issuance of these stamps a United Nations Postal Administration office should be established in Vienna. An agreement in principle has been reached between the Austrian and the United Nations authorities with the approval of the Universal Postal Union which will permit the sale and use of United Nations stamps in Austrian denominations; and it is expected that these issues will be not only of considerable interest to German-language philatelists but also to other collectors of United Nations stamps. It is proposed to establish a unit consisting of 2 Professionals and 16 General Service staff in Vienna (with additional temporary staff as required to meet the expected demand). Beginning in 1980 the unit will take over part of the work hitherto carried out in Geneva, with a consequent net saving in expenditure compared to the Vienna-Geneva cost differential. The operation as a whole will be financed on a self-financing basis and is expected to augment significantly the volume of sales of United Nations stamps and to return a substantial profit in each year of operation. Further details of the Secretary-General's proposal in this connexion, including a full statement of the financial implications, are set out in annex II to this report.

#### IV. SUPPORTING COMMUNITY SERVICES

31. Reference was made in the Secretary-General's report to the thirty-first session of the General Assembly <sup>19/</sup> to the necessity of ensuring in advance of the transfer of staff from New York or Geneva to Vienna that families of staff members will not have to worry unduly with respect to the availability of social and educational amenities such as housing or schooling for their children. Considerable progress has been made in this regard by the Austrian authorities working together with IAEA and UNIDO.

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<sup>19/</sup> A/C.5/31/34, annex II, paras. 9-13 inclusive.

32. It is indicative of the importance that the Austrian authorities attach to the facilities need by the staff that they have taken steps to ensure the availability of an international school in Vienna for the children of staff members and diplomats. An existing school, formerly known as the English school, has now been taken over and converted into an international institution with substantial financial assistance from the Government which has also supplied additional premises to cope with increased enrolment. As of September 1978, the elementary grades and first three years of the secondary grades have been adapted to an international curriculum. In 1979 the next two secondary grades will be so treated and by 1980 the international school in Vienna will be in a position to enter students to the international baccalaureate on the same basis as the international schools in New York and Geneva.

33. As for housing, extensive efforts through questionnaires directed to staff members scheduled to move to Vienna in 1979 have been undertaken to determine the type of private accommodation desired by transferees. In October 1977, a joint housing unit of IAEA and UNIDO was set up to assist staff members not only in locating accommodations, but also in facilitating their contacts with landlords and lawyers in matters such as the drawing up of leases, etc. During 1978, the Joint Housing Unit was strengthened to cope with the added demand resulting from the transfer of UNRWA staff to Vienna. As a result, it was found possible to meet swiftly and effectively the housing needs of this group of staff members. The Secretary-General is satisfied that with the experience now acquired by the staff of the Joint Housing Unit, the accommodation needs of staff members transferring from New York and Geneva will be met in similar fashion.

34. Since the Secretary-General last submitted his report, staff representatives from New York, including representatives of those units scheduled to be transferred, have visited Vienna as guests of the city of Vienna, and been provided with an opportunity to see at first hand the nature of the social, health and educational facilities available to members of the international community in Vienna. A similar visit was arranged for senior officials of the affected units from Ger

35. As a further indication of concern to ensure the satisfactory settlement of staff members and their families in their new environment, the German-speaking Member States have jointly contributed funds, services and materials for the establishment of pre-transfer German language classes in New York and Geneva. Over 60 persons (including, in some cases, spouses) are currently enrolled in New York and Geneva. It is planned to continue this language training opportunity for new arrivals and their families, after their transfer to Vienna.

#### V. Financial implications

36. The General Assembly has already approved at its thirtieth, thirty-first and thirty-second sessions, 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 UNIDO to the Centre. A report on these costs, revealing certain anticipated savings, is presented in part (a) of annex I to this report. Certain further financial costs of the transfer, not previously requested, are also presented in annex I. These costs include (b) other non-recurring costs associated with the establishment of the Centre including the costs of moving the

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units already referred to in this report from Geneva and New York to Vienna; (c) the recurring UN-UNIDO share of the costs of maintaining and operating the centre; and (d) other recurring costs including costs of providing the services required to ensure the proper functioning of the transferred units in their new location. Full year estimates of cost are also shown for items (c) and (d) and provision for these will be included in the 1980-1981 programme budget in due course. Revised estimates for the 1978-1979 programme budget covering items (a) and (b) above and the requirements under items (c) and (d) for the balance of the current biennium are summarized in part (e) of annex I.

37. In annex II may be found a proposal relating to the establishment of a United Nations Postal Administration Office in Vienna. It is anticipated that the introduction of stamps in Austrian denominations will increase gross revenues to the United Nations by \$1 million, with a net income anticipated at \$471,500.

38. The net additional requirements, taking all factors into account, amount to \$2,080,400 which may be analysed as follows:

	<u>\$</u>
Annex I	
(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	<u>553,800</u>
	2,551,900
Annex II. United Nations Postal Administration (net revenue)	<u>(471,500)</u>
	2,080,400

39. The total net additional costs of \$2,080,400, may be summarized by budget section for appropriation purposes, as follows:

	\$	\$
Expenditure sections:		5,470,300
Section		
5 C International economic and social affairs . . . . .	742,100	
12 United Nations Industrial Development Organization . . . . .	(1,485,800)	
14 International drug control (savings) . . . . .	(132,000)	
20 Legal affairs . . . . .	282,200	
22 M Administrative services - Vienna . . . . .	6,488,800	
23 E Conference services - Vienna . . . . .	51,500	
25 Staff assessment . . . . .	273,500	
26 Alterations and improvements (savings) . . . . .	<u>(750,000)</u>	
	5,470,300	
Income sections:		3,389,900
1 Staff assessment . . . . .	339,900	
2 General income . . . . .	2,674,900	
3 Revenue-producing activities . . . . .	<u>375,100</u>	
	3,389,900	
		<u>2,080,400</u>
Net additional cost		<u>2,080,400</u>

40. As may be noted above, the Secretary-General proposes that two additional subsections be opened in the budget - namely, section 22 M (Administrative services - Vienna) and section 23 E (Conference services - Vienna). Expenditures under these sections, with the exception of the Security Service, for which responsibility is vested at Headquarters, remains under the control of UNIDO. 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 new subsections are proposed in 1979 to include (i) the costs of maintaining and operating the Centre and (ii) the additional costs of administration and conference servicing incurred by UNIDO.



## VI. CONCLUSION

41. The Secretary-General would therefore recommend that the General Assembly, in addition to taking note and approving his decision with respect to Tower A-2 (as explained in para. 10 of this report) and confirming its decision contained in paragraph 3 of General Assembly resolution 31/194, should approve the additional funds requested in paragraphs 38-39 (and set forth in greater detail in annexes I and II of this report). The authorization thus given will enable him to give effect to the transfers already approved as well as to implement the additional proposals put forward in this report for the utilization of the space to be made available in 1979 in the Vienna International Centre for the use of the United Nations, including UNIDO.

42. The Secretary-General would also propose that in authorizing him to proceed forthwith with the implementation of his proposals, the General Assembly should take note of the fact that minor adjustments in the time-table or other details of the plan of implementation may be found necessary as implementation proceeds, and authorize the Secretary-General to make such minor adjustments as he considers necessary and to report thereon to the General Assembly at its thirty-fourth session.



ANNEX I

FINANCIAL IMPLICATIONS

A. Equipping and furnishing the Centre

1. The costs of equipping and furnishing the Centre have been presented in three documents. In A/C.5/1725 of 26 November 1975, it was estimated that the one-time costs for the United Nations of equipping the Centre for occupancy by UNIDO were estimated at \$7,770,000 (at 18.25 Austrian schillings to \$US 1) over the period 1976-1979. In document A/C.5/31/34, additional items amounting to \$223,000 (at the same exchange rate) were identified. Finally, it was anticipated in document A/10348 that an additional \$1,160,000 would be required for furnishings and equipment as a result of the assumption by the United Nations of responsibility for Tower A-2. Thus, the total costs to the United Nations of equipping and furnishing the Centre amounted to \$9,153,000 at A.S. 18.25/\$1, as shown in paragraph 26.20 of the proposed programme budget for the biennium 1978-79. 1/

2. The Advisory Committee, urging the Secretary-General to ensure maximum economies in equipping the Centre while ensuring that the equipment selected should be durable and functional, reduced the initial estimates by \$925,000, 2/ leaving a total amount of \$8,228,000 at A.S. 18.25/\$1 to be spent over the period 1976-1979 as follows:

	\$
1976-77 -	775,900
1978-79 -	7,452,100
	<hr/>
Total	8,228,000
	<hr/>

3. Exchange rate increases since the initial estimates were prepared have added \$1,860,900 to the project, for which revised appropriations have been requested as follows:

(i) Change in exchange rate from A.S. 18.25/\$1 to A.S. 17.00/\$1 (applicable to initial estimates 1978-1979 less ACABQ reduction as per para. 2) . . . . .	\$ 547,900
(ii) Change in exchange rate from A.S. 17.00/\$1 to A.S. 16.15/\$1 . (the exchange rate effective in December 1977 at which time the initial 1978-1979 programme budget estimates were revised and the most recent available exchange rates applied to the appropriations on which the 1978-1979 budget, approved at the thirty-second session, was based . . . . .	421,000

1/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6, A/32/6.

2/ The actual reduction was \$993,100, at the rate at which the 1978-1979 budget was presented (A.S. 17.00/\$1), but is shown here at the rate of A.S. 18.25/\$1 for ease of comparison.

(iii) Change in exchange rate from A.S. 16.00/\$1 to A.S. 14.725/\$1 (estimated average for 1978) and to A.S. 14.40/\$1 (estimated average for 1979) as applied to 1978-1979 budget estimates in the first performance report . . . . .	892,000
Total	<u>1,860,900</u>

4. Thus, the initial estimates revised to reflect current rates amount to \$10,088,900 of which \$9,196,900 has been approved by the General Assembly and \$892,000 is currently pending.

5. The implementation of the project has resulted in certain additional costs, but these have been more than offset by savings, even after the reduction recommended by the Advisory Committee, mentioned in paragraph 2 above, has been taken into account. The net result of these adjustments, the largest single item of which arises from the return of Tower A-2 to IAEA, is a saving of \$1,500,000 shown at current rates:

<u>Savings:</u>	\$	\$
Return of Tower A-2 to IAEA		1,450,000
Other savings arising from economies effected in the acquisition of equipment for conference rooms, the provision of electrical and restaurant equipment, etc.		<u>2,400,000</u>
Subtotal		3,850,000
 <u>Less:</u>		
Additional one-time costs, including office furniture for United Nations units to be transferred to Vienna, and costs of removing and reinstalling the Narcotics laboratory	1,175,000	
Absorption of ACABQ reduction (at current rates)	<u>1,175,000</u>	<u>2,350,000</u>
Net savings		<u>1,500,000</u>

6. In addition to the foregoing, a technical adjustment must be made under the provisions of financial regulations 4.3 and 4.4 in respect of an item for which provision was made in 1976-77. The Financial Regulations provide that appropriations shall remain available for 12 months following the end of the financial period to which they relate to liquidate any outstanding obligation of the financial period, at the end of which time any remaining balance will be surrendered. Thus, any unliquidated obligations of the financial period in question shall be cancelled after 12 months or, where the obligation remains a valid charge, transferred as an obligation against current appropriations.

7. The adjustment in question refers to certain conference servicing equipment for which orders were placed in 1977 but in respect of which delivery is not now anticipated until 1979. In order to provide for this item against current appropriations in 1979 an additional amount of \$650,000 (at A.S. 14.40/\$1) is required, which will be offset by a credit to income section 2 of \$550,000 (at A.S. 17.00/\$1, which is the rate at which the obligation was raised in 1977) representing the amount to be surrendered under the provisions of financial regulation 4.4.

8. An additional item of one-time expense, not foreseen at the time approval was given to the above-mentioned appropriations, must be noted. This has to do with the transfer of the International Trade Law Branch from New York to Vienna, and the need to ensure at the new location an adequate reference library to enable the Branch to function without any loss of effectiveness. The Branch, during the 10 years of its existence in New York has established an enviable reputation for competence and effectiveness in a highly complex field of international law. Instead of building up an adequate reference library of its own (for which the needed funding has never been provided) the Branch has relied extensively on the reference libraries on international trade law which are available at two of the major New York universities. Recognizing the need to create an adequate reference library for the Branch in Vienna, the Government of Austria has offered a contribution of \$150,000 to enable the Branch to build up its essential stock of reference materials. The Secretary-General is actively exploring the possibility of transferring appropriate reference materials from the Dag Hammarskjöld Library at Headquarters and the Library of the United Nations Office at Geneva. He considers that with the materials thus made available, and the contribution of an additional amount of up to \$100,000 which he proposes, with the concurrence of the General Assembly to make available out of the net savings referred to in paragraph 5 above, the Branch will thus find itself endowed with a facility of its own which will enable it to carry on its valuable work without loss of momentum, and without having to rely exclusively, as in the past, on resources to which it can obtain access only on a courtesy basis.

9. Reference is made later in this annex to the need to have a full-time professional law librarian with General Service assistance at the Vienna Centre who will, in collaboration with the IAEA (which will be responsible for organizing and managing the common library services of the Centre), be responsible for assembling and managing the reference library materials for the Branch.

10. In summary, a net savings of \$1,300,000 is anticipated in respect of equipping and furnishing the Centre for which revised appropriations are requested as follows:

	\$	\$
Section 26:		
Net savings on equipment and furnishings (see para. 5 above)		1,500,000
Less: Reinstatement of lapsed 1977 obligation	650,000	
Law Library	100,000	750,000
	<hr/>	<hr/>
Net savings in section 26		750,000
Income section 2		
Surrender of balance of unliquidated 1976-1977 obligations		550,000
		<hr/>
Net savings over-all		1,300,000
		<hr/> <hr/>

B. Non-recurring costs associated with the establishment of the Centre

11. The initial costs associated with the establishment of the Centre may be broken down into two main components:

- (i) The one-time costs of transfer of units from New York and Geneva to Vienna;
- (ii) Other one-time costs associated with the official opening

(i) The one-time costs of transfer of units from  
New York and Geneva to Vienna

12. In the Secretary-General's report to the General Assembly at its thirtieth session, <sup>3/</sup> the one-time relocation costs - travel, removal and installation - of staff being transferred to Vienna were tentatively estimated at \$12,000 per staff member (family dependants included); and on the assumption that units totalling 300 posts would be transferred in 1979 (of which only the Professionals, estimated at 150, would actually move), total one-time costs of relocation were estimated at \$1,800,000.

13. On the basis of this 1975 estimate, the cost of relocating the 11<sup>4</sup> Professionals referred to in paragraph 18 of the main document as scheduled to move from New York and Geneva to Vienna in 1979 would be \$1,368,000.

14. In his report to the General Assembly at its thirty-first session <sup>4/</sup> the Secretary-General again provided an estimate of one-time relocation costs, basing

<sup>3/</sup> A/10348, annex IV, p. 2.

<sup>4/</sup> A/C.5/31/34.

his calculation on 1976 United States dollars, assuming 8 per cent inflation per annum and distinguishing between New York-Vienna and Geneva-Vienna relocation costs. On this basis, he calculated the one-time removal costs for one Professional staff member (family included) at \$8,300 from New York and \$5,200 from Geneva (1976 dollars). After taking into account his allowance for inflation at 8 per cent per annum in years following 1976, these estimates would work out at \$10,455 (from New York) and \$6,525 from Geneva.

15. On the basis of this 1976 estimate, the cost of relocating the 114 Professionals scheduled to move from New York (61) and Geneva (53) to Vienna in 1979 would be \$983,580.

16. Since these earlier estimates were made, considerable increases have taken place in costs of all elements entering into relocation costs, with the single exception of New York-based air travel. Due to exchange rate fluctuation as between the United States dollar, the Swiss franc and the Austrian schilling the price of one-way air fare from Geneva to Vienna has risen from the equivalent of \$120 to more than \$200 and the rate of subsistence allowance in Vienna (on which the installation grant is based) has increased from \$35 in August 1976 to \$60 in November 1978. Sharp increases have also taken place in the rates for ocean and inland freight; the result of all these changes is that removal costs per staff member (dependants included) are now estimated at \$12,600 from New York and \$7,825 from Geneva.

17. On this basis the cost of relocating the 114 Professionals referred to in paragraph 18 of the main document as scheduled to move from New York (61) and Geneva (53) to Vienna will amount to \$1,183,300. An additional amount of \$50,000 will be required to defray the freight costs incurred for the transportation of files, library materials and other divisional reference material from New York and Geneva to Vienna. Since 4 of the 61 Professionals to be transferred from New York and 15 of the 53 being transferred from Geneva are extrabudgetary personnel, the aforementioned costs will be met to the extent of \$167,800 from extrabudgetary sources <sup>5/</sup> and \$1,015,500 from the regular budget. However, a reduction of \$151,200 may be expected from the regular budget due to the postponement of the transfers to Vienna of certain posts required to be retained in New York for the preparatory period for the World Conference on the United Nations Decade for Women and the Sixth United Nations Congress on the Prevention of Crime and the Treatment of Offenders.

18. Further one-time costs arise in relation to the recruitment of General Service staff, as follows: in planning the transfer to Vienna of the units concerned, the assumption has been made that Professional staff in those units would be transferred, while General Service staff members would be relocated in their current duty stations (New York and Geneva) and would be replaced by new staff members recruited in Vienna. While this assumption generally holds true, further consideration of

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<sup>5/</sup> A/C.5/1725, annex, para. 4.

the relocation and replacement of General Service staff points to the need for careful planning in order not to impair the effectiveness of the units concerned. Thus, it is not possible to keep all General Service staff in their current posts until the very day of the transfer; placement opportunities have to be found and exploited during the intervening months so that, at the time the units transfer, an alternative placement has been secured for as many as possible of the 84 General Service staff members concerned. It is equally not possible to recruit, in Vienna, 84 staff members who would enter on duty precisely on the day of arrival of the units concerned; recruitment has to be conducted over time during the first half of 1979, with a view to having at least a nucleus of General Service staff already at the disposal of the units when they arrive. Finally, to the extent that alternative placement is found in New York or Geneva, before the transfer of the units, for the General Service staff concerned, their posts will have to be filled by staff members recruited on a short-term basis for the period up to the date of the transfer.

19. Staff who are assigned to new duties in New York and Geneva may be replaced on a temporary basis by short-term staff who would encumber their former posts at no additional cost to the budget. As regards the problem of timing associated with recruitment of permanent staff in Vienna, it is proposed that there be made available to UNIDO an additional amount of \$50,000 in temporary assistance funds so that a nucleus of staff may be recruited and trained in United Nations procedures in advance of the arrival of their units.

20. The one-time costs associated with the transfer of staff, chargeable to the regular budget, would therefore be as follows in 1979:

<u>Section</u>	\$	\$
5C      Transfer of staff:		
Centre for Social Development and Humanitarian Affairs	441,000	
Social Affairs Division, Geneva	46,900	
Freight costs	30,000	517,900
	<hr/>	
12      UNIDO - temporary assistance		50,000
14      Transfer of staff:		
Division of Narcotic Drugs	148,700	
Secretariat of INCB	101,700	
Freight costs	7,500	257,900
	<hr/>	
20      Transfer of staff - International Trade Law Branch	126,000	
Freight costs	12,500	138,500
	<hr/>	
	Total	<u>964,300</u>
		/...



(ii) Other one-time costs associated with the official opening

21. The formal opening of the Centre, as noted in paragraph 3 of the main document, has been set for 23 August 1979. It is anticipated that certain expenditures of a non-recurring nature will be required in this connexion. Provision is accordingly requested for an appropriation of \$25,000 to cover the costs of a United Nations exhibit (\$5,000), additional guides for the inaugural period (\$10,000) and hospitality (\$10,000).

22. In summary, therefore, an additional appropriation in the amount of \$989,300 to cover non-recurring costs associated with the establishment of the Centre, is requested under the following sections of the budget:

	\$
Section 5C	517,900
Section 12	75,000
Section 14	257,900
Section 20	138,500
	<hr/>
Total	<u>989,300</u>

C. Recurring costs of maintaining and operating the Centre

23. In his report to the General Assembly at its thirtieth session on revised estimates, 6/ the Secretary-General estimated that the United Nations share of utilities and maintenance costs of the new Vienna International Centre for the full year 1979 would amount to approximately \$4 million (water, electricity, heating, sewage, refuse disposal, cleaning and other maintenance). This estimate was based on an exchange rate of 18.25 Austrian schillings to the United States dollar, the exchange rate used for budgeting purposes in 1975. This same estimate, on the basis of the exchange rate (14.40) used for the current programme budget, would produce a revised amount of \$5,069,400.

24. Revised estimates, based on fuller information for the full year 1979, now indicate that the United Nations share of maintenance and upkeep costs (including buildings management and security staff) in the first full year of the Centre's operation will amount to \$5,274,200. As shown in the following table, the total costs under these headings for which the United Nations will be responsible amount to \$9,061,000, of which \$3,786,800 will be refundable (through credits to general income) by IAEA and UNRWA:

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6/ A/C.5/1725, annex, para. 4.

	<u>Total costs</u> \$	<u>United Nations share</u> \$	<u>IAEA and UNRWA share</u> \$
Utilities (electricity and water)	3,142.6	1,971.4	1,171.2
Maintenance of premises	1,817.0	1,157.8	659.2
Cleaning services and supplies	1,621.8	1,098.6	523.2
Buildings management staff	1,288.6	543.8	744.8
Security staff	<u>1,191.0</u>	<u>502.6</u>	<u>688.4</u>
Total	9,061.0	5,274.2	3,786.8

26. The substantial increase in cost in the United Nations share over the actual appropriations approved for UNIDO in its present premises for 1979 (amounting to \$1,705,600) is accounted for because of the following factors:

(a) The operation and maintenance of a climate control system for which there is no comparable counterpart in UNIDO's present premises;

(b) The operation and maintenance of 44 elevators, 7/ as compared to eight in UNIDO's present buildings;

(c) The operation and maintenance of three escalators, a documents conveyor system, a loud-speaker alarm system, and a buildings monitoring system, none of which exist in the present premises;

(d) A three-fold increase in the floor space to be maintained; 8/

(e) Security and maintenance costs of an extensive network of roads, footpaths, parking facilities, etc.; 9/

(f) The provision of services to other United Nations units transferring from New York and Geneva.

27. The estimate for buildings management staff is based on an establishment of four Professional posts (P-5, P-4, P-3 and P-2), 16 General Service and 52 Manual

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7/ Of this total, 13 are in Towers U-1 and U-2 and 21 in the conference and common services buildings, in respect of which partial reimbursement will be made by IAEA.

8/ The Centre, as a whole, will provide 229,600 square metres (2,470,494 square feet) gross or 125,200 square metres (1,347,150 square feet) net usable floor space. At present UNIDO and IAEA occupy 46,419 square metres (499,588 square feet) of usable floor space.

9/ The land area of the grounds on which the Vienna International Centre is located total 23.7 hectares (58.5 acres).

Worker posts. This establishment would be responsible for building management of the entire premises (United Nations and IAEA) and the related costs will be shared by both agencies. The above-mentioned establishment compares to the present UNIDO staffing of 1 P-3, 5 General Service and 21 Manual Worker posts.

28. As regards security, the estimate is based on an establishment of two Professional (P-4 and P-3), one General Service and 72 Security posts. As in the case of buildings management, this establishment will be responsible for the security and safety of the premises as a whole, and its costs will be shared by the United Nations and the IAEA. The proposed establishment compares to the current UNIDO staffing of 1 P-3, 2 General Service and 23 Security posts.

29. The costs of these two functions will be shared by both partners, but it is envisaged that all related personnel will be United Nations staff members - some of them transferred or seconded by IAEA. Thus, in effect, the United Nations will be responsible for buildings management and security of the entire premises, and will be reimbursed by the IAEA for its share of the operation. In like manner UN-UNIDO will reimburse IAEA for an agreed share of the common services supplied by it.

30. In addition to building maintenance and security costs referred to in paragraphs 27 to 29 above, additional expenses will be incurred in a number of other fields as set forth in the immediately following paragraphs. Estimates shown are on a full year basis, although for 1979 the requirements will, for the most part, be limited to a six-month period. The amounts shown are exclusive of IAEA which provides its own services in these areas. In some cases the estimated costs are to be incurred by UN-UNIDO in reimbursing IAEA for common services supplied by that agency.

	VIC Full year of operation	Appropriation for UNIDO 1979
	\$	\$
Communications (see para. 31) (cables, telex, telephone, postage and pouches)	1,751.1	993.3
Rental and maintenance of equipment (see para. 32)	661.8	269.6
Freight, insurance, bank charges and miscellaneous	53.8	41.8
Stationery and office supplies	721.2	571.3
Total	3,187.9	1,876.0

31. The increase in the estimates for communications is due to the fact that a total of \$757,800 is estimated in respect of the units to be transferred to Vienna (\$409,800) and of UNRWA (\$348,000). In respect of the former, off-setting decreases are expected to occur in the duty stations from which the units are transferred. <sup>10/</sup> As regards UNRWA, a corresponding reimbursement to the United Nations regular budget will be made and reflected under section 2 of the estimates of income.

32. As regards rental and maintenance of equipment, increases arise in respect of the installation of additional photocopying equipment required in the light of the configuration of offices in the new buildings and of increased requirements for the rental and maintenance of data processing equipment.

33. In summary, therefore, the gross costs anticipated for maintaining the Vienna International Centre for a full year of operation (see paras. 24 and 30), including refundable costs, are estimated at \$12,248,900. This represents the totality of those costs for which the United Nations is responsible but not all of the costs accrue to the United Nations budget. A six-month projection of those costs, for the latter part of 1979, amounts to \$6,124,500, of which \$2,124,900 relates to IAEA (\$1,568,200) and UNRWA (\$556,700) in respect of which reimbursement is provided for in income section 2.

34. 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) would presumably not be required once the Vienna International Centre is operative. In view of the need for a certain overlapping of facilities during the transitional period, it is proposed 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.

35. In summary, therefore, revised appropriations are requested as follows:

	\$
Section 12	(1,690,800)
Section 22M	6,124,500
Subtotal	<u>4,433,700</u>
Income section 2	2,124,900
Net additional appropriations	<u>2,308,800</u>

<sup>10/</sup> Credits in this regard will be reflected in the second performance report for the biennium 1978-1979.

36. A further amount of \$174,200 for staff assessment under section 25 is required in respect of new posts in Buildings Management and Security Services, offset by a similar amount under Income Section 1.

D. Other recurring costs

37. The other recurring costs relating to the United Nations activities in the Vienna International Centre fall into two main categories:

(i) Revised staff costs of maintaining certain units in Vienna, rather than in Geneva or New York;

(ii) Additional costs of central administrative and other services.

(i) Revised staff costs of maintaining certain units in Vienna rather than in Geneva or New York

38. In view of the variations in cost of living between Vienna and Geneva on the one hand and Vienna and New York on the other, staff costs relating to units to be transferred to Vienna must be re-calculated at Vienna rates with effect from 1 July 1979. In the case of units transferring from New York, increased appropriations will be required, whereas in the case of units transferring from Geneva, the reverse situation applies. The net effect of these adjustments will be a net savings under the regular budget in 1979 of \$78,100, distributed between sections as follows:

<u>Section</u>		\$ Increase (decrease)
5C Centre for Social Development and Humanitarian Affairs	318,500	
Social Affairs Division	<u>(94,300)</u>	224,200
14 Division of Narcotic Drugs	(233,200)	
International Narcotics Control Board	<u>(156,700)</u>	(389,900)
20 International Trade Law Branch		<u>87,600</u>
Total (net decrease)		(78,100)

(ii) Additional costs of central administrative and other services

Administrative services - Vienna

39. Concurrent with the move to the Vienna International Centre increased responsibilities will fall upon UNIDO to provide during the transitional period administrative support services to other United Nations units located in the Centre.

It will therefore 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 as well as to provide for an increased level of reimbursement to IAEA for the United Nations share of the Medical Service and the Joint Housing Unit. It should be noted, in this connexion, that although the ratio of General Service staff to Professionals in the United Nations Secretariat as a whole is in excess of 60 per cent to 40 per cent, the ratio in the case of the units being transferred from Geneva and New York to Vienna is almost the reverse. The strengthening of existing services is, in general, considered more effective than the establishment of a new servicing unit, as had been suggested in the Secretary-General's report to the Assembly at its thirty-first session. 11/ Additional requirements for UNIDO are estimated at two Professional and 11 General Service posts. The estimated cost for these posts, plus the amount of additional reimbursement to IAEA, on a full-year basis at 1979 rates would be \$471,400. The two Professional posts would be at the P-3 level: one for personnel administration, and one for recruitment services. The General Service posts would strengthen personnel administration (three posts), Secretariat recruitment (two), staff welfare and social security (two), language training (one) and financial services (three). Due to a staggered recruitment policy, posts will be filled only as the need arises, and consequently the appropriation requested in section 22M is limited to:

	\$
Established posts	173,500
Common staff costs	60,200
Contribution to IAEA	<u>130,600</u>
Total	364,300

#### Conference services

40. Conference services for meetings at the new Centre would continue to be supplied, for the time being at least, until the extent of the increase in the conference servicing workload can be determined, by the nucleus of UNIDO conference staff already in Vienna and supplementary personnel brought in as required from Geneva or elsewhere. It has already been pointed out (para. 24 of the main report) that UNIDO requires to employ for periods of eight to ten weeks annually during its conference periods as many as 80 conference personnel on a temporary basis. To the extent that additional temporary assistance funds are needed to meet the conference servicing requirements in 1979 of units transferring to Vienna, corresponding offsets would occur in the credits for conference servicing at Headquarters and Geneva. The Secretary-General intends to refer again to this question in the context of his summary of conference servicing requirements, to be issued towards the end of the current session of the General Assembly.

11/ A/C.5/31/34.

41. While the Secretary-General intends to present a full statement of the requirements for strengthening of Conference Services in Vienna in the context of his proposed programme budget for 1980-1981, the opening of the Vienna International Centre is expected to significantly increase the workload of the UNIDO conference servicing section in 1979, particularly in the area of meetings planning. The addition of one junior Professional and one principal General Service post is requested in the conference planning service as from 1 April 1979. Their costs on a full-year basis amount to \$69,000 but, due to the application of the delayed recruitment factor, an appropriation of only \$51,500 is requested in 1979 as follows:

	\$
Established posts	38,300
Common staff costs	<u>13,200</u>
Total	51,500

Public information services

42. As regards public information, reference is made in paragraph 26 of the main report to the need to strengthen the information component in Vienna to provide coverage relating to the new programmes of the United Nations which will henceforth be conducted in Vienna. In order to meet this need, provision is requested for four additional established posts (1 P-5, 1 P-3 and 2 General Service) to be added to the UNIDO information service in March 1979. A final decision will be made later as to the arrangements to be made for providing information services on a continuing basis with respect to the organizational units of the secretariat located in Vienna; and the Secretary-General intends to put forward his proposals in this connexion in the 1980-1981 programme budget. Annual provision for these staff would amount to \$148,600, but the application of the delayed recruitment factor reduces the amount requested under section 12 to \$130,000, as follows:

	\$
Established posts	91,900
Common staff costs	31,800
Travel	3,300
Supplies and materials	<u>3,000</u>
Total	130,000

43. It is also proposed to conduct guided tours of the Vienna International Centre which, it is expected, will be financed after the initial period on a self-financing basis. As indicated in paragraph 27 of the main report, the initial guided tours unit will consist of a chief (P-2) and four General Service posts (a cashier/dispatcher and three guides). It is premature to estimate with accuracy the revenue which may be expected from this service, but it is not anticipated that revenues in 1979 will be sufficient to offset the basic costs involved, as shown below:

	\$	\$
Gross fees		39,000
Less expenses:		
Established posts	49,200	
Common staff costs	17,200	
Supplies and materials	<u>2,600</u>	<u>69,000</u>
Net deficit		(30,000)

Law library

44. As noted in paragraph 9 above, the Secretary-General considers that there is a need for a full-time law librarian (P-4) with supporting General Service assistance, to assemble and manage the reference library materials for the International Trade Law Branch. On a full-year basis, these posts would require expenditures of \$74,800. Applying a factor for delayed recruitment, provision of \$56,100 is requested under section 20, as follows:

	\$
Established posts	41,300
Common staff costs	<u>14,800</u>
Total	56,100

45. In summary, therefore, additional appropriations are requested for other recurring costs in 1979 in a total amount of \$553,800 as follows:



	(i) Revised Staff Costs	(ii) Additional costs	Net additional recurring costs
	\$	\$	\$
Section 5C	224,200	-	224,200
Section 12	-	130,000	130,000
Section 14	(389,900)	-	(389,900)
Section 20	87,600	56,100	143,700
Section 22M	-	364,300	364,300
Section 23E	-	51,500	51,500
Income section 3	-	30,000	30,000
	<hr/>	<hr/>	<hr/>
Total	(78,100)	631,900	553,800

46. In addition, provision is requested for staff assessment in an amount of \$99,300 under section 25, offset by a corresponding amount under income section 1.

E. Summary of financial implications contained in annex I

Section	A. Furnishing and equipping the Centre	B. Non-recurring costs of its establishment	C. Recurring costs of operation	D. Other recurring costs	Total
	\$	\$	\$	\$	\$
5 C International economic and social affairs . . . . .	-	517 900	-	224 200	742 100
12 United Nations Industrial Development Organization . .	-	75 000	(1 690 800)	130 000	(1 485 800)
14 International drug control .	-	257 900	-	(389 900)	(132 000)
20 Legal affairs . . . . .	-	138 500	-	143 700	282 200
22 M Administrative services - Vienna . . . . .	-	-	6 124 500	364 300	6 488 800
23 E Conference services - Vienna	-	-	-	51 500	51 500
25 Staff assessment . . . . .	-	-	174 200	99 300	273 500
26 Alterations and improvements	(750 000)	-	-	-	(750 000)
1.1 Staff assessment . . . . .	-	-	(174 200)	(99 300)	(273 500) <sup>a/</sup>
1.2 General income . . . . .	(550 000)	-	(2 124 200)	-	(2 674 200)
1.3 Revenue-producing activities . . . . .	-	-	-	30 000	30 000 <sup>a/</sup>
	(1 300 000)	989 300	2 308 800	553 800	2 551 900 <sup>a/</sup>

<sup>a/</sup> Exclusive of further revenue of \$471,500 proposed in annex II, of which \$66,400 arises in income section 1 and \$405,100 in income section 3.



ANNEX II

ESTABLISHMENT OF UNITED NATIONS POSTAL ADMINISTRATION  
OFFICE IN VIENNA

1. The issuance and philatelic sale of United Nations postage stamps is carried out as a regular and full-time activity by the United Nations Postal Administration (UNPA), an organizational unit of the Office of General Services, established in accordance with General Assembly resolutions 454 (V) of 16 November 1950 and 657 (VII) of 6 November 1952.
2. Pursuant to General Assembly resolution 232 (III) of 8 October 1948, agreements for the issuance of stamps by the United Nations were negotiated in 1951 with the Government of the United States of America and in 1969 with the Government of Switzerland. In 1971, UNPA commenced simultaneous issues of commemorative stamps in United States and Swiss denominations, valid for postage at United Nations Headquarters, New York, and at the Palais des Nations, Geneva, respectively.
3. In connexion with the occupancy of the Vienna International Centre, the United Nations and the Government of Austria are negotiating an agreement for the establishment of an office of UNPA at the Centre and the issue of United Nations stamps in Austrian currency denominations. Authorization for this action was granted by the Executive Council of the Universal Postal Union at its annual meeting in May 1978. The proposed agreement with the Austrian authorities provides for an arrangement similar to those in New York and Geneva under which a postal station, using United Nations stamps but operated by the national postal authorities, will be established.
4. It is planned to issue a series of six stamps in Austrian currency denominations on 23 August 1979. This is the minimum number of stamps required to enable the Austrian Postal and Telegraph authorities to provide full postal services at the United Nations post office in Vienna International Centre. Beginning in 1980, it is planned also to issue commemorative stamps simultaneously with those issued in New York and Geneva. Although the initial requirement for the Vienna office of UNPA in 1979 is to organize and establish the services necessary to handle the first day of issue and subsequent sales of the new stamps, it is planned for reasons of convenience and economy, also to transfer to Vienna from Geneva, the filling of orders and distribution of stamps in other countries and areas including Austria and the Federal Republic of Germany. It is expected that the Vienna office of UNPA will assume these responsibilities in the last quarter of 1979 or early in 1980. Depending upon experience, it may prove desirable to transfer these functions to Vienna in respect of other areas and countries at a later date.

Revenue

5. The policy of UNPA calls for the issuance of a limited number of stamps each year. This policy is based on well-founded experience that the philatelic market

is limited and that collectors do not continue to buy stamps which are issued in excessive quantities or too frequently. Accordingly, in 1979 UNPA will have only four commemorative issues and will substitute the stamps in Austrian currency for a fifth commemorative which otherwise would have been issued. In consequence although the revenue for all offices of UNPA from the stamps issued in Vienna is estimated to be 3 million in 1979, this will be offset in an amount of 2 million which would have been realized from the fifth commemorative issue, thus resulting in an anticipated increase in gross revenue for UNPA as a whole of 1 million dollars. In future years, based on the experience in Geneva, it is anticipated that the issue of United Nations stamps in Austrian currency denominations will substantially increase UNPA revenue.

Organization

6. The planned organization of UNPA in Vienna is comparable to that of Geneva. The office will report directly to New York and eventually will take over a portion of the current work volume of the Geneva office. The proposed staffing table is based on continuing needs as foreseen to the end of 1979. It provides for the basic staff required both for the first day of issue and the gradual phasing in of distribution responsibilities transferred from Geneva.

7. The following staffing table for established posts is proposed:

	<u>Salary and common staff costs</u>	
	Full year costs <u>(gross)</u>	Requested <u>in 1979</u>
	\$	\$
1 - First Officer (P-4) <u>a/</u> . . . . .	68,600	51,500
1 - Second Officer (P-3) <u>b/</u> . . . . .	55,500	27,800
16 - General Service <u>c/</u> . . . . .	420,600	184,500
Total	<u>544,700</u>	<u>263,800</u>

a/ From 1 April 1979.

b/ From 1 July 1979.

c/ 4 - G-7 posts from 1 July; 2 - G-6 posts from 1 May; 10 - G-1/5 posts from 1 August.

These posts, which will be of a continuing nature, will be supplemented as necessary by short-term temporary assistance as well as occasional employees paid on an hourly basis. It is expected that once the Vienna office is fully operational in 1980, there will be off-setting reductions in the Geneva staff reflecting the

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transfer of functions described in paragraph 2 above. Due to the difference in costs between Vienna and Geneva, savings of some \$330,000 in handling the work transferred can be expected in 1980-1981. The savings in staff projected for the 1980-1981 biennium in Geneva as a result of the transfer of work to Vienna are expected to include one Professional post and seven General Service posts.

8. In addition, the following expenses will be encountered in setting up and operating the UNPA office in Vienna in 1979:

	\$	\$
Temporary assistance . . . . .	75,000	
Overtime and night differential . . . . .	<u>10,000</u>	85,000
Travel and subsistence:		
3 trips New York/Vienna . . . . .	2,700	
6 trips Geneva/Vienna . . . . .	2,200	
120 days subsistence - Vienna . . . . .	7,200	
Promotional travel and subsistence in Europe	<u>2,000</u>	14,100
Contractual services:		
Data processing . . . . .	35,000	
Computer terminals rental . . . . .	5,000	
Promotion . . . . .	50,000	
Printing first day covers . . . . .	<u>25,000</u>	115,000
Communications . . . . .	10,000	
Freight . . . . .	10,000	
Payment to Austrian postal authorities for carrying and cancellation charges . . . . .	17,000	
Miscellaneous . . . . .	5,000	
Expendable supplies (stationery etc.) . . . . .	<u>15,000</u>	57,000
Office equipment (one-time costs) . . . . .		60,000
		<u>331,100</u>
Established posts (per para. 7) . . . . .		263,800
		<u>594,900</u>
		<u>594,900</u>

9. In summary, in order to establish and operate a United Nations Postal Administration Office in Vienna, the Secretary-General requests that the appropriation for the United Nations Postal Administration for the biennium 1978-1979 be increased in an amount of \$594,900 and sale of postage stamps be increased by \$1,000,000, thus providing an increase in net revenue of \$405,100. Provision for this amount is requested under income section 3, together with additional staff assessment of \$66,400 in income section 1.

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