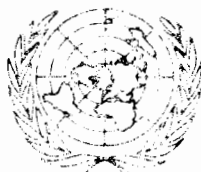




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PROPOSED PROGRAMME BUDGET FOR THE BIENNium 1978-1979

United Nations accommodations in Nairobi

Revised estimates under section 13, United Nations Environment Programme,
section 25, Staff assessment; section 26, Construction, alteration and
major maintenance of premises, and income section 1, Income from staff
assessment

Report by the Secretary-General

Introduction

1. At its twenty-seventh session in December 1972, the General Assembly accepted the offer of the Government of Kenya to locate the secretariat of the United Nations Environment Programme (UNEP) in Nairobi (resolution 3004 (XXVII)). In its related report, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) recommended that, on the basis of experience, the Secretary-General should later report to the General Assembly regarding the possible construction of a permanent headquarters building for UNEP and other United Nations offices in Nairobi. 1/
2. At its second session in March 1974, the UNEP Governing Council approved the Executive Director's proposal 2/ to undertake a prefeasibility study on the environmental aspects of a permanent headquarters. The study, completed in February 1975, investigated the local ecological and climatic conditions, and discussed such matters as waste disposal, preservation of the ecological balance around the site, appropriate technology, and energy conservation, including the possible use of solar energy.

1/ A/8706/Add.23, para. 9.

2/ UNEP/GC/17/Add.2.

3. At its thirtieth session, the General Assembly approved a proposal by the Secretary-General 3/ to undertake an architectural and engineering study of permanent headquarters facilities for UNEP and other United Nations offices in Nairobi. As indicated in the Secretary-General's report last year, 4/ the architects were directed to develop a design for the construction of headquarters facilities which would take into account environmental, ecological, energy conservation and similar considerations, as well as the need for efficient and economical operation of the necessary office, conference and related facilities. In addition, the architects were instructed to make detailed proposals for the incorporation of the existing temporary facilities into the headquarters complex, and to prepare cost estimates for the entire project.

Environmental factors

4. Throughout the planning process the Executive Director of UNEP, the architects and their consultants have been guided by the view that the design of the headquarters should be consistent with, and to the extent possible exemplify, the environmental concerns of the United Nations in general and the Environment Programme in particular.

5. The proposed construction is quite simple, emphasizing local materials and systems. The buildings will be from one to three storeys in height and employ natural lighting and ventilation to the maximum extent possible. Mechanical equipment will be kept to a minimum. There will be no passenger elevators. Ramps will be provided at key locations to facilitate movement of materials and circulation by handicapped persons. The planning concept relies on pedestrian movement on the horizontal plane with a maximum walking distance of three minutes from the farthest car park to the central facilities.

6. The architects have isolated a number of design and construction elements of environmental importance which would be studied in depth in the next planning stage. These include:

(a) The application of appropriate technology utilizing labour-intensive processes and local materials wherever practical, imported materials being kept to the minimum.

(b) A building design which would make maximum use of natural ventilation during the warm months (December-March), the possible use of solar-assisted systems being investigated in the case of conference rooms where air-conditioning might be appropriate, and the orientation of buildings taking into account passive solar heating during the cold months (June-August);

(c) The maximum possible use of natural lighting, while controlling glare, and artificial lighting incorporating primary and secondary lighting levels for maximum energy conservation,

3/ A/C.5/1718; A/10008/Add.14, para. 14.

4/ A/C.5/31/45.

(d) The elimination of mechanical equipment wherever possible;

(e) The heating of hot water by solar energy, methane gas or refuse incineration, with possible heat recovery for early morning heating of buildings;

(f) The possible use of alternative energy sources, such as solar energy, for heating during the cold months (June/August) and the use of wind power for water circulation and irrigation;

(g) The use of an "ecologically sound" sewage treatment process in the form of oxidation ponds in which waste water would be treated and recycled for non-potable uses, liquid wastes from the printing facility being isolated and treated separately;

(h) The design of equipment to reduce wastage of potable water and the use of storm water, augmented by recycled waste water after treatment, for flushing of toilets and firefighting purposes as well as landscaping and irrigation;

(i) The design of landscaping to provide visual, sound and security screening.

7. The architectural plan is intended to reflect the need for a longer-term perspective, minimizing waste, rationalizing the use of scarce resources and making provision for future expansion and further development. The design of the office buildings is based on a concept of modular units, which will facilitate the construction of additional buildings as required and reduce correspondingly the provision at this time of office space for future growth.

Temporary premises

8. The secretariat of UNEP officially commenced operations in Nairobi on 1 September 1973, and in October 1973 was installed in office accommodations provided by the Government of Kenya in the Kenyatta Conference Centre. The arrangement provided for a rental subsidy by the Government of Kenya of 50 per cent of the cost of office space for a period of five years, ending in September 1978, together with free use of conference facilities until the permanent headquarters were constructed. The Government of Kenya also offered a free grant of land of approximately 40 hectares at Gigiri, Nairobi, for the construction of the permanent headquarters for UNEP.

9. When it became apparent in 1975 that UNEP would outgrow the space available in the Kenyatta Conference Centre well before the permanent headquarters could be constructed, the Executive Director, after consultations with United Nations Headquarters, explored various possibilities for housing UNEP during the intervening years. The most efficient and economical proposal to emerge was for UNEP to construct temporary premises to satisfy its immediate requirements for office space on a portion of the site provided by the Kenya Government for the future permanent headquarters. The project was made possible by a pledge of 6 million Kenyan shillings (equivalent to \$840,000) from the Government of Kenya

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and an advance of \$1,150,000 from the Fund of UNEP. In determining the financial feasibility of the project, it was estimated that the cost of temporary structures would be fully offset by savings in rental costs over an estimated six-year period of occupancy. At the time of construction, it was not intended that the structures would be utilized as office space on a permanent basis.

10. The immediate space requirements of UNEP were then estimated at 6,176 M² net for office space, special use areas, and support services, and 1,350 M² for cafeteria facilities, storage, a printing unit and documents distribution facilities. As another United Nations office in Nairobi had expressed interest in participating in the project, an additional building comprising 849 M² of office space was added, making a total of 8,375 M² net (11,400 M² gross). The UNICEF regional office is housed in the additional building.

Present situation

11. The temporary buildings have been fully occupied, and proposals are now under consideration for the rental of outside space and/or the temporary reduction in standard space allocations pending construction of the permanent facilities. On the basis of posts and activities already authorized, it is estimated that by 1 January 1978 the shortfall of office space will have reached 648 M². Additionally, office space is required for consultants, advisers, short-term and temporary staff, and visitors. Common services and support facilities are especially overcrowded and their immediate expansion would permit greater efficiency and economy. Additional storage space is required to enable economies of bulk purchasing to be achieved and to ensure adequate stocks of various items such as paper.

12. The following is a summary of the space allocation of the temporary premises at Gigiri as of 1 August 1977:

	<u>M²</u>	<u>Net</u>
(a) Office accommodation		
UNEP and programme activity centres*	4,243	
UN Habitat and Human Settlements Foundation (UNHHSF)	402	
Special use areas	930	
(Meeting rooms, reception, registry, messenger rooms)		5,575
(b) UNICEF regional office		780
(c) Storage and printing		900
(d) Common services		670
(bank, travel agent, security, post office, clinic, telephone facilities, library, UN Radio)		
(e) Cafeteria		450
		<u>8,375 M² net</u>

* Includes 258 M² at Gigiri allocated as of 1 August 1977 to UNEP staff and consultants temporarily assigned to the secretariat of the United Nations Conference on Desertification.

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Permanent headquarters facilities

13. At the request of the Executive Director of UNEP, the United Nations Office of General Services carried out a survey of space requirements of UNEP up to 1985 and 1995, which also took into account the estimated requirements of the specialized agencies and other United Nations offices in Nairobi, as had been recommended by the ACABQ. 5/

14. With the exception of the WHO country office housed in the Ministry of Health, all the specialized agencies and other United Nations offices in Nairobi are interested in participating in the project. As is customary, a rental arrangement would be negotiated which would provide, in addition to annual maintenance and operating costs, an element representing retroactive participation in part of the construction costs. It is expected that such rent would be at a rate which would be less than commercial rates in Nairobi for comparable space and services.

15. The staff of the specialized agencies and other United Nations offices in Nairobi in addition to UNEP now numbers 226 and, on the basis of current projections and estimates by the agencies, is expected to grow to 314 by 1985. Their estimated space requirements through 1985 are as follows:

UNESCO	1,450 M ²
IBRD	1,035
UNDP	821
UNICEF	849
UNHCR	129
UNIC	274
	<hr/>
	4,558 M ² net

16. The original offer of the Kenyan Government to host the UNEP secretariat included the provision of free conference premises until the permanent headquarters were built. The proposed headquarters project therefore includes the conference facilities necessary to accommodate the UNEP Governing Council. At present, the Governing Council has two sessional committees. Meetings are normally arranged so that the Council does not meet in plenary at the same time that both sessional committees are meeting. It is therefore anticipated that two main conference rooms will suffice for both plenary and the sessional committees. Should an additional conference chamber eventually be required, it can readily be added opposite the main conference rooms. In addition to the two main conference rooms, two smaller meeting rooms (with provision for simultaneous translation) would be provided for regional groups, working groups, and sub-committees of the Governing Council. It is also anticipated that these smaller meeting rooms would be used throughout the year for UNEP-sponsored meetings of scientists, experts, and

5/ A/8708/Add.23, para. 9.

intergovernmental working groups, as well as meetings sponsored by the specialized agencies and other United Nations offices in Nairobi.

17. The two main conference rooms would provide seating for 200 delegates and observers seated at tables with 200 advisers behind them and seats at the side of the rooms for 100 alternates, observers, press, etc. (For meetings requiring larger facilities, such as the opening and closing plenary sessions of the UNEP Governing Council, the Kenyatta Conference Centre would continue to be used.) The two smaller rooms would provide seating for 50 delegates and observers at tables with 50 advisers behind them. There would also be two caucus rooms seating 30 delegates and 30 advisers without simultaneous interpretation, as well as the normal complement of office space for committee officers, forward echelon, document distribution, and delegates' areas. The proposed facilities would involve a total enclosed area of 3,435 M² net. In view of the mild climate, extensive use of semi-enclosed open space and covered terraces is planned for circulation, lobby and lounge areas.

18. Existing common service facilities in the temporary premises are minimal and overcrowded even for present requirements. Necessary expansion of these facilities has been postponed pending the construction of the permanent headquarters building. In the permanent headquarters, in addition to conference facilities, increased office space for UNEP, and office space for the specialized agencies and other United Nations offices, it will be necessary to increase substantially the amount of space allocated to common service facilities. To the extent practical, this will be achieved through utilization of the existing temporary buildings. Requirements for medical services, personnel and training services, building management stores and shops, radio station and cable facilities will largely be satisfied through re-use of 4,716 M² of space in the existing buildings. New facilities occupying a net area of 6,064 M² will be constructed to suit the specific requirements of cafeteria and dining facilities, data processing, reproduction facilities, documents distribution, receiving and storage, library and other common service facilities.

19. As indicated in paragraph 12 above, 5,575 square metres net is allocated at present to office space for UNEP and UNHHSF as well as for special use areas. It is estimated that by 1 January 1978 the shortfall will have reached 648 M² of office accommodation. On the basis of posts and activities already authorized (and without regard to decisions which may be made in connexion with the United Nations Conferences on Human Settlements, Water and Desertification), an additional 258 M² would be required during the 1978-1979 biennium. Additionally, some 618 M² will be required for consultants, advisers, short-term and temporary staff for the Governing Council, visiting officials and conference participants. At present these are inadequately accommodated on an ad hoc basis at Gigiri or in temporary space at the Kenyatta Conference Centre. Assuming an average growth rate of 2 per cent per annum (not compounded) in space requirements for regular and extrabudgetary staff during the period 1980-1985, an additional 851 M² of office space would be required by 1985.

Present allocation	5,575
Shortfall by 1 January 1978	648
Additional space required during 1978-1979	258
Consultants, temporary staff, etc.	618
Estimated growth during 1980-1985	<u>851</u>
	<u>7,950 M²</u>

20. On this basis, UNEP would require by 1985 a total of 7,950 M² of office space and related special use areas such as departmental meeting rooms, reference units, registries, messenger stations, copy rooms, and similar facilities. There are of course uncertainties in projecting the long-range office space requirements for an organization only 5 years old. However, the amount of additional office space proposed beyond immediate requirements is minimal. Should the actual rate of growth be less than currently projected, the reserve space would last somewhat longer, but in any case is unlikely to serve for more than five or six years after occupancy. On the other hand, should the rate of growth exceed current projections, the locations of possible additional office wings have already been anticipated. Office wings of two or three storeys have been planned on a modular basis to enable ready extension on short notice if and when additional office space is required.

21. For preliminary planning purposes, office space allocations have been based on an average per capita allocation of 12 square metres. This is the normal standard applied by the United Nations for air-conditioned space. It has customarily been increased by 15 to 25 per cent for non-air-conditioned space. Instead the architects propose a design for the office buildings which will maximize the use of natural ventilation and permit net usable area to remain at approximately 12 square metres per capita, albeit with a modest increase in the ratio of gross area to net usable area.

22. The office space requirements of UNEP, the specialized agencies and other United Nations offices up to 1985 total 12,500 M². In addition to re-use of the temporary premises for common services facilities, some 3,659 M² net will be available for use as office space after upgrading, leaving a requirement of 8,849 M² net of office space to be met through new construction. In order to meet the constraints of available funds and time schedule for the construction of the temporary buildings in 1975, it was necessary to use the construction systems and materials then immediately available, in sufficient quantity and at minimum cost. In converting these temporary buildings for permanent use, various modifications to the buildings are necessary, in addition to the rearrangement of partitions and the general renovation required by the re-use of the temporary buildings in the over-all scheme.

23. In view of the relative ease with which the project can be extended should the need arise, estimated space requirements have been kept to a minimum and many functions have been accommodated through multiple use of the facilities provided. The Secretary-General believes that the project as proposed represents the minimum facilities that should be built at this time.

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24. On the basis of the above, a total of 18,348 M² net of new construction is required, as follows:

Office space for UNEP, the specialized agencies and other United Nations offices	8,849 M ²
Conference facilities	3,435
Common service facilities	<u>6,064</u>
	<u>18,348 M²</u>

The gross area of the new construction would be 32,288 M², not counting covered terraces, walkways and semi-enclosed areas.

Cost estimates

25. The over-all project cost at current prices (July 1977) is estimated at 131,750,000 Kenyan shillings or \$16,165,000 (at 8.15 Kenyan shillings to the United States dollar) broken down as follows:

	<u>US dollars</u>
<u>Basic construction cost of new buildings:</u>	
Demolition and site clearing	\$ 50,000
Excavation and foundations	645,000
New building construction and internal services	<u>9,150,000</u>
	\$ 9,845,000
<u>Other costs:</u>	
Basic utilities and site services	\$ 1,225,000
Site improvements, landscaping and roads	550,000
Renovation and upgrading of existing buildings	880,000
Fixed equipment and conference room furniture	1,715,000
Architectural and engineering fees	1,300,000
Quantity surveyor/construction manager and miscellaneous consultants	650,000
Total	<u>\$16,165,000</u>

Attention is drawn to the fact that, since the construction site is some distance from the centre of the city, the cost of basic utilities and site services form a more substantial portion of the total cost than would have been the case in other circumstances.

26. On the basis of recent experience, the quantity surveyor advises that due to anticipated inflation, these costs can be expected to increase at a rate of 10 per cent annually up to tendering. Additionally, construction contracts for large projects in Kenya customarily include provision for contractual increases in contract prices to reflect actual increases in costs of labour and certain materials experienced during the course of the project. These prices are adjusted in accordance with price lists issued periodically by the Joint Association of Quantity Surveyors and General Contractors and applied to the contract prices in accordance with stated formulae. The quantity surveyor estimates that the contractual increases affecting the project would increase the construction cost by more than 20 per cent over the period of construction.

Estimated project cost at July 1977 prices	\$16,165,000
Estimated inflation up to tendering in January 1979 (18 months at 10 per cent per annum)	2,505,000
	<hr/> \$18,670,000
Estimated contractual increases during construction period January 1979 to May 1982*	3,851,000
	<hr/> \$22,521,000
Administrative and other miscellaneous costs (excluding Headquarters planning unit)	350,000
Contingency (3 per cent)	<hr/> 676,000
Estimated total project cost	<hr/> \$23,547,000

* Contractual increases have been calculated at the rate of 10 per cent per annum, weighted in accordance with the anticipated rate of construction expenditures over the construction period.

The Government of Kenya has agreed that any materials and equipment required from abroad for the project may be imported on a duty-free basis and that the project will be exempt from sales taxes.

27. Should the General Assembly approve the project at its current session, the architects estimate the construction schedule as follows:

(a) Preparation of final design drawings and construction documents and advance ordering of equipment	January 1978-- December 1979
(b) Solicitation and evaluation of tenders	January-- March 1979
(c) Excavation, construction and provisional acceptance	April 1979-- May 1982
(d) Occupancy	1 July 1982

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28. Based on this schedule and the anticipated rates of inflation indicated above, the following pattern of appropriations would be required:

1978-1979	\$ 4,541,000
1980-1981	14,274,000
1982-1983	<u>4,732,000</u>
	<u>\$23,547,000</u>

As in the case of previous construction projects, the Secretary-General proposes that funds appropriated for the project be placed in a separate construction account, unexpended balances being carried forward into succeeding biennia until the project is completed and the final accounts audited. The current status of the project would be reported annually to the General Assembly.

Administrative arrangements

29. Primary responsibility for the supervision of the construction project would rest with the Executive Director of UNEP. A small Headquarters planning unit in the UNEP Division of Administration was authorized for the biennium 1976-1977, consisting of one P-5, one P-3 and two local-level posts, all posts on a temporary assistance basis. In view of recent experience with construction projects in Addis Ababa, Bangkok and Santiago, the Internal Audit Service has strongly recommended that a finance officer should be assigned full time to any major construction project undertaken in the future, working closely with the supervising engineer on a regular and full-time basis. Accordingly, it is proposed that the unit be augmented by a P-3 temporary assistance post, at an additional cost of \$53,000 in 1978-1979, after applying a turnover deduction of 25 per cent for delayed recruitment.

30. The total cost of the planning unit for the biennium 1978-1979, for which no provision was made in the initial programme budget proposals, pending the submission of the present report, is estimated at \$315,000 as follows:

Temporary assistance (one P-5, two P-3 and two local-level staff)	\$253,000
Staff assessment	55,000
Travel of staff on official business	<u>7,000</u>
	<u>\$315,000</u>

The provision for staff assessment would be offset by a corresponding increase under income section 1, Income from staff assessment.

31. Additionally, the Office of General Services at United Nations Headquarters would provide technical advice, would undertake periodic progress inspections and would review all major decisions concerning construction prior to their adoption. These expenses, together with the costs of soil investigations,

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testing, reproduction of drawings, advertisement for bids, clerk of the works, legal fees and other expenses would be met from the provision of \$350,000 included for administrative and other miscellaneous expenses in the total project cost as summarized in paragraph 26 above. Where necessary, engineering consultants would be employed to advise on such specific construction questions as may arise. The Secretary-General would also expect to retain a quantity surveyor and/or construction manager to help ensure strict cost control and adherence to construction schedules.

Recommendations

32. The Secretary-General believes that the proposed project is well-conceived and will provide for the immediate and medium-term requirements of UNEP, as well as the specialized agencies and other offices in Nairobi. Accordingly, he would propose the following action by the General Assembly:

(a) Acceptance of the generous offer of the Government of Kenya for a free grant of the site of approximately 40 hectares at Gigiri Estate, Nairobi, upon which to construct the project, subject to a suitable agreement between the Secretary-General and the Government;

(b) Approval in principle of the project at a total estimated cost of \$23,547,000;

(c) An appropriation of \$4,541,000 for the biennium 1978-1979 under section 26 (construction, alteration and major maintenance of premises) to enable the preparation of contract documents, advance ordering of equipment and the commencement of construction, the appropriated funds being placed in a construction account and any unexpended balance carried forward until the completion of the project;

(d) The appropriation for the biennium 1978-1979 of \$260,000 under section 13 (United Nations Environment Programme) and \$55,000 under section 25 (Staff assessment) offset by an increase of \$55,000 under income section 1 (Income from staff assessment) in respect of the Headquarters planning unit.

33. The balance of the appropriations required would be included in the proposed programme budgets for 1980-1981 and 1982-1983 respectively.