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PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985

Adequacy of the conference facilities of the Economic Commission for Africa at Addis Ababa

Report of the Secretary-General

INTRODUCTION

1. At its thirty-eighth session, by resolution 38/234, section XXIII, of 20 December 1983, the General Assembly deferred until its thirty-ninth session the consideration of the proposals contained in the report of the Secretary-General ^{1/} related to the adequacy of the conference facilities of the Economic Commission for Africa (ECA) at Addis Ababa and requested the Secretary-General to submit to the General Assembly at its thirty-ninth session an updated report on the subject. The present report is submitted in accordance with the request of the General Assembly and should be read in conjunction with the report submitted to the General Assembly at its thirty-eighth session on the subject. ^{2/}

2. Following the adoption of General Assembly resolution 37/237 (XI), section XI, a world-wide survey of consulting architects/engineers was undertaken to determine those most appropriately qualified to undertake the study authorized. As a result of that review, a firm of consultants was selected in March 1983. The consultants began their work by undertaking a thorough review of documents and related debates in the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the General Assembly. In mid-July 1983, a site-reconnaissance mission to Addis Ababa was undertaken where consultations were held with the Secretary-General's representatives at ECA. Following their return to New York in August, the consultants submitted an initial report which was reviewed by Headquarters and by ECA. Upon completion of that review, a preliminary technical appraisal was prepared by the consultants for further discussions with the representatives of the Secretary-General. As a result of those discussions, the consultants incorporated

the comments made into a schematic design which was submitted in October 1983 and which provided more detailed proposals.

3. That proposal was further refined in the final conceptual design report which was submitted in late October 1983. It was on the basis of this last report that the Secretary-General's own report was prepared. However, in the course of the preparation of that report it was determined that certain features of the design required modification and, as a result, the consultants were requested to provide revised costings. These were received in late November 1983 and were incorporated into the final report of the Secretary-General. 1/

I. DEVELOPMENTS DURING 1984 AND COST ESTIMATES

4. Since then, the Government of Ethiopia has officially confirmed to the Secretary-General that it will generously provide a parcel of land immediately adjacent to the existing site of ECA (as indicated in paragraph 6 of A/C.5/38/82) free of charge to the United Nations. Furthermore, the Government has confirmed that materials and furniture and equipment required for the construction of the conference facilities will be exempt from duty or sales taxes.

5. It is recalled that, in the Secretary-General's report to the thirty-eighth session of the General Assembly, the capital costs were estimated at \$61.6 million at 1983 prices. 3/ In carrying out an analysis for the purpose of updating the costs to reflect 1984 prices, account has been taken of the fact that approximately 30 per cent of estimated expenditures would be incurred in Ethiopia, and the remaining 70 per cent elsewhere, essentially in southern Europe. On that basis, it has been determined that, bearing in mind the variations in the exchange rates of some of the currencies in which expenditures are likely to be incurred as well as the price indices variations in Ethiopia and various countries of southern Europe, an incremental factor of 7.5 per cent, equivalent to the annual rate of cost increase indicated in the previous document, appears appropriate for the recosting of the capital costs at 1984 prices; thus the overall project cost at current prices is estimated at \$66,220,000, as follows:

Conceptual design
Capital cost estimates
1-2-4 option

Facility area: 53,600 m²

	<u>\$</u>
<u>Construction costs of new buildings</u>	
Conference facility	35 580 000
Site work	6 450 000
Modification plenary hall	3 760 000
Dining facility	3 010 000
	<u>48 800 000</u>
<u>Furnishings</u>	4 730 000
<u>Architectural and engineering construction</u> <u>management/administration</u> (excluding Headquarters planning unit)	<u>7 310 000</u>
<u>Contingency</u>	<u>5 380 000</u>
<u>Total</u>	<u><u>66 220 000</u></u>

6. Based on further review, the assumption made earlier 4/ that construction costs would increase by approximately 7.5 per cent per year appears still valid. The following updated table which projects the breakdown of expenditures on a yearly basis, with the 7.5 per cent compounded inflation factor added, indicates the anticipated expenditure pattern.

7. Based on this schedule and the anticipated rate of cost increases indicated, the following pattern of appropriations would be required:

	<u>Thousands of \$ US</u>
1984-1985	3 120
1986-1987	27 070
1988-1989	45 640
1990-1991	13 530
Total	<u><u>89 360</u></u>

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Thousands of US dollars (1984 prices)

<u>Item</u>	1985	1986	1987	1988	1989	1990	1991	Total
1. Architectural and Engineering								
(a) Design	2 900	1 900	-	-	-	-	-	4 800
(b) Field supervision	-	-	490	490	490	490	490	2 450
2. Site works	-	-	4 300	540	540	1 080	-	6 460
3. Conference facilities	-	-	14 190	9 570	11 830	-	-	35 590
4. Modification of plenary hall	-	-	-	-	-	2 690	1 080	3 770
5. Dining facilities	-	-	-	1 080	1 940	-	-	3 020
6. Contingency	-	540	540	1 080	1 080	1 080	1 080	5 400
7. Furnishings	-	-	-	2 150	2 040	-	540	4 730
Subtotal	2 900	2 440	19 520	14 910	17 920	5 340	3 190	66 220
7.5 per cent inflation	220	380	4 730	5 000	7 810	2 900	2 100	23 140
Total	3 120	2 820	24 250	19 910	25 730	8 240	5 290	89 360

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

II. ADMINISTRATIVE ARRANGEMENTS

8. The administrative arrangements remain as indicated in paragraphs 61 through 64 of document A/C.5/38/82, with the exception of the cost of the planning unit which would be set up in 1985. It is estimated at \$95,100, taking into account the delayed recruitment factor as follows:

	<u>\$</u>
Temporary posts (one P-5, one P-3 and two local level staff)	62 300
Common staff costs	29 100
Travel of staff on official business	3 700
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Total	95 100
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Additionally, an amount of \$16,300 for staff assessment would be required under section 31, offset by an increase in the same amount in the estimates of income under income section 1.

III. RECOMMENDATIONS

9. The project, consisting of the 1-2-4 conference room option, is proposed for approval by the General Assembly. Accordingly, the following action by the General Assembly is recommended:

(a) Acceptance of the offer of the Government of Ethiopia for approximately 42,400 square metres of land immediately adjacent to the existing site of ECA, taking due account of the assurance by the Government that all goods will be imported free of duty and sales taxes;

(b) Approval, in principle, of the project at a total estimated cost of \$89,360,000;

(c) Approval of an appropriation of \$3,120,000 for the biennium 1984-1985 under section 32 (Construction, alteration, improvement and major maintenance of premises) in order to formulate detailed designs. The appropriated funds would be placed in a construction account and any unexpended balance carried forward until the completion of the project;

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(d) Approval of an appropriation for the biennium 1984-1985 of \$95,100 under section 13 (Economic Commission for Africa) and \$16,300 under section 31 (Staff assessment) offset by an increase under income section 1 (Income from staff assessment) in respect of the proposed planning unit.

Notes

1/ A/C.5/38/82.

2/ Ibid., paras. 1-66.

3/ Ibid., para. 58.

4/ Ibid., para. 59.
