



Sixteenth session
Agenda item 54

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1962

Modernization of the Palais des Nations

Fourteenth report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its sixteenth session

1. The Advisory Committee on Administrative and Budgetary Questions has considered a report of the Secretary-General (A/C.5/877) on the progress made in respect of the modernization of the Palais des Nations, as approved in General Assembly resolutions 1101 (XI) of 27 February 1957 and 1447 (XIV) of 5 December 1959. This matter was also examined by the Advisory Committee during its summer session on the basis of an interim report and was the subject of provisional comment in the Committee's report on the budget estimates for 1962.^{1/}
2. The report of the Secretary-General states that the first part of the plan, relating to conference rooms and ancillary services, has been completed within the \$590,000 authorized for this purpose. However, in the case of the second part of the plan, which concerns the Assembly Hall area, it is indicated that the approved estimate of \$1,200,000 will be exceeded by some \$291,000. Of this amount, \$81,000 has been committed for work already undertaken in 1961. The concurrence of the Advisory Committee in the latter expenditure was sought and obtained at the time and has been formally approved by the Fifth Committee at its 848th meeting on 4 October as part of the supplementary estimates for 1961. The balance of \$210,000 is being submitted as a revised estimate for 1962 under section 7.

^{1/} Official Records of the General Assembly, Sixteenth Session, Supplement No. 7 (A/4814), paras. 195-197.

3. The Advisory Committee has been informed that the work on the Assembly Hall area commenced on 1 July 1960 and it was not until June 1961 that it was possible to make an accurate and complete analysis of the actual costs involved in the completion of the total project. At that time, it became clear that, although every effort was made to keep expenditures within the approved limit through the use of alternative construction techniques and materials, completion of the full plan as envisaged would require the appropriation of additional funds.

4. The main factors giving rise to the increased requirement of \$291,000, may be summarized as follows:

(a) The necessity to speed up all phases of the construction work on the Assembly Hall and to effect certain temporary installations in order to be ready in time for the opening of the General Conference of the International Labour Organisation in June 1961 (\$25,000);

(b) Unforeseen difficulties encountered in undertaking construction work, such as the need to excavate through hard rock and masonry to relocate and re-construct air-conditioning and electrical ducts (\$90,000);

(c) Increased costs for labour and materials since the estimates were approved (\$80,000);

(d) The adjustment and revision of original construction plans, the need for which only became apparent as work progressed (\$90,000);

(e) Additional expenditures due to a change in the conversion rate between the Swiss franc and the dollar (\$6,000).

5. Since the detailed cost analysis of the work undertaken by June 1961 indicated that commitments already entered into would exhaust available funds, it was decided to suspend further major projects until such time as the General Assembly had had an opportunity to re-examine the situation. The analysis revealed, at the same time, that obligations and expenditures up to mid-1961 had already involved an unavoidable increase of some \$81,000 above the approved level, the concurrence of the Advisory Committee for additional expenditures in this amount was, therefore, sought and granted, as noted in paragraph 2 above.

6. The present request for an additional appropriation of \$210,000 in 1962 for the uncompleted portion of the Assembly Hall area plan, is based on the assumption that approval would be granted sufficiently early in the autumn

of 1961, so that the work could be started in January 1962 and fully completed in the course of that year. The Advisory Committee has been given the assurance that pending such approval no commitments are being entered into with regard to this work; however, the architects of the Palais are preparing the necessary plans and orders which would enable immediate action to be taken as soon as the General Assembly has taken its decision.

7. The work which remains to be done is described in paragraph 11 of the Secretary-General's report (A/C.5/877). The projects involved are the completion of the Assembly Hall (\$129,000), conference room XVI (\$45,000), and the second floor area (\$35,100). In spite of their incomplete state, these areas are already in use.

8. It will be recalled that in terms of General Assembly resolution 1447 (XIV) the total original programme in the amount of \$1,790,000 was to be financed by annual budget provisions during the period 1957 to 1966 as follows:

1957 to 1962 - \$121,000	-	total \$726,000
1963 - \$131,000	-	total \$131,000
1964 to 1966 - \$311,000	-	total \$933,000
		<u>\$1,790,000</u>

9. The current proposals, if approved, would increase the total cost of the programme from \$1,790,000 to \$2,081,000 and would thereby entail a revision of the provisions of the resolution concerned. In the Secretary-General's report, the following changes in the approved financing plan are proposed:

(a) That the 1961 instalment be raised to \$202,000 (i.e. \$121,000 provided in the regular budget for 1961 in accordance with resolution 1447 (XIV), with a supplementary appropriation in the amount of \$81,000);

(b) That the 1962 instalment be raised to \$331,000 (i.e. \$121,000 already in the budget estimates for 1962, in accordance with resolution 1447 (XIV), with \$210,000 to be appropriated as a revised estimate under section 7 of the 1962 budget).

10. In support of this proposal, the following aspects have been stressed:

(a) The remaining projects, if authorized, will be completed in the course of 1962 and the related bills presented before the end of that year;

(b) It has already been necessary to have recourse to the Working Capital Fund to meet actual expenditures as distinct from obligations, and this need is expected to continue;

(c) Financing of the additional costs by increased credits in 1961 and 1962 would avoid undue extension of the period during which the Working Capital Fund would need to be used; it will also enable existing arrangements for reimbursing the loan from the Swiss Federal Council^{2/} to be maintained.

11. Should the present proposals be approved, the financing of the total plan will be effected in the manner set forth in the annex to the Secretary-General's report.

Observations of the Advisory Committee

12. The Advisory Committee has received detailed information on the technical aspects of the additional requirements that have arisen and is satisfied as to their necessity. It would warn, however, that improvements to premises may be considered, in practice, to have no limit with the passage of time. Within the context of the present modernization plan, it is essential that a specific point of completion should be arrived at.

13. The Advisory Committee has ascertained that, as a result of the modernization scheme that has been undertaken in the course of the past four years, the present capacity of the Palais to accommodate a major conference is as follows:

(a) The Assembly Hall can hold up to 120 delegations on the basis of four representatives per delegation at the table and four advisers seated behind; this Hall could also be used as a Committee room since all tables are fitted with microphones.

(b) Committee rooms XVI, XV and XII can hold up to 120 delegations on the basis of one representative per delegation at the table and one adviser behind.

^{2/} In terms of resolution 1101 (XI) of 27 February 1957, the Secretary-General was authorized to accept the offer by the Swiss Federal Council of an interest-free loan of 4 million Swiss francs to assist in the execution of the modernization plan.

(c) Committee rooms V, VII and XIV can hold 110 delegations on the basis of one representative per delegation at the table and one adviser behind. These rooms could be expanded to hold 120 delegations by minor reconstruction, at reasonable cost, to provide a modest addition to the floor space. There is, furthermore, a possibility that by more extensive reconstruction, at considerably higher cost, rooms V and XIV could be transformed into the largest Committee areas which would be available in the Palais; the technical feasibility of such reconstruction, however, has still to be established.

14. Thus it appears that, at the cost of some reduction in the extent of facilities as available to delegations at Headquarters in New York,^{3/} the expansion of conference space at the Palais has made it possible eventually to hold a session of the General Assembly in Geneva. At the same time, it must be recognized that a problem could arise in respect of office space to house special General Assembly servicing staff, a situation which is not likely to be alleviated to any major extent until the World Health Organization vacates the offices currently occupied by it in the Palais in 1964.

Recommendations of the Advisory Committee

15. Subject to its comments in paragraph 12 above, the Advisory Committee recommends an additional appropriation of \$210,000 under section 7 for 1962 as requested by the Secretary-General in document A/C.5/877 for the completion of the modernization of the Palais des Nations, in accordance with the plan approved in resolutions 1101 (XI) and 1447 (XIV).

Other related projects

16. Reference is made in paragraphs 18 to 22 of the Secretary-General's report (A/C.5/877) to three additional projects which fall outside the scope of the modernization plan as approved. They relate to the following:

- (a) Provision of new office space;
- (b) Permanent furnishings for the entrance hall on the second floor of the Assembly block;

^{3/} In the Committee rooms, accommodation for observers, press and public will also be of a limited nature.

- (c) Equipment and furnishing of working space in the Assembly Hall area for the information services and for representatives of public information media.

17. In view of the current financial situation of the Organization, expenditure proposals have been limited to what is actually needed to complete the modernization programme as approved and, therefore, no immediate budgetary increase is proposed to cover the additional projects referred to in the preceding paragraph with the exception of item (a). As regards item (b), the Advisory Committee has been informed that temporary arrangements have been made, using equipment already available in the Palais. As for item (c), two reasonably satisfactory radio broadcasting studios are in existence and can be supplemented by the installation of temporary studios whenever necessary.
18. As regards item (a), the report of the Secretary-General (A/C.5/877, para. 19) recalls that increased difficulties arising from inadequate office space have been experienced in the Palais, more particularly during the periods of heavy conference activity. The proposal to convene in the Palais in 1962 the United Nations Conference on the Application of Science and Technology for the Benefit of the Less-Developed Areas underlines the urgent need for these offices. A plan has therefore been developed for the construction of twenty-six additional permanent offices to be situated over Conference room XVI, at a cost of \$120,000 and fourteen temporary offices at a cost of \$10,000. A budgetary provision in the related amount of \$130,000 has been included in the estimates for that Conference (A/C.5/878).
19. In its report on the financial implications of the Scientific Conference (A/4919), the Advisory Committee accepts the need for the additional offices, but recommends that only \$10,000 of the cost of their construction might properly be charged to the Conference budget; this would provide for the installation of the fourteen temporary offices referred to above. In view of the fact that the other twenty-six offices would become a permanent asset of the Organization, the Advisory Committee recommends that their cost be met by an additional credit of \$120,000 under section 7.