

GENERAL  
ASSEMBLYDistr.  
GENERALA/5369  
17 December 1962

ORIGINAL: ENGLISH

Seventeenth session  
Agenda item 62

## BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1963

Construction of the United Nations Building in Santiago, ChileForty-first report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its seventeenth session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/923 and Add.1) on the construction of the United Nations Building in Santiago, Chile. In this report (paras. 16 and 17), the Secretary-General indicates that, on the basis of the architectural plans and the bids received, there is a deficit currently estimated at \$460,000 in round figures. Subject to such views and alternative proposals as the General Assembly may wish to offer, and with a view to remaining, so far as United Nations budgetary commitments are concerned, within the present financial authorization of \$1,550,000, the Secretary-General states that he would intend to proceed in the following manner:

(a) To accept, with gratitude, the additional gift of Escudos 465,000 from the Government of Chile,<sup>1/</sup>

(b) To support the gift programme undertaken by the Ad Hoc Committee of the Economic Commission for Latin America and to ascertain whether the anticipated deficit might be covered in part by the donation of functional gifts and/or by cash contributions;

<sup>1/</sup> Among other contributions from the Government of Chile are the donation of the site, the development of the surrounding area, the construction of access roads, and the extension of municipal facilities to the site.

(c) To modify the construction programme to the extent necessary for the purpose of keeping within the existing financial authorization by effecting further drastic reductions in space and facilities.

2. The Advisory Committee has carefully reviewed the situation facing the United Nations with reference to the construction of the ECLA building in Santiago. It has taken into account both the original considerations which led to the decision to construct this building and the desirability of avoiding an additional charge on the United Nations budget.

3. One of the most important considerations in approving the construction of the ECLA building was the fact that it was designed to house not only the ECLA secretariat but also the local offices of the Technical Assistance Board, the United Nations Children's Fund, the Food and Agriculture Organization, the International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization, and other United Nations related agencies. The Advisory Committee has always placed a major emphasis on the necessity of providing common premises and services for the United Nations and the specialized agencies, particularly in major headquarters cities, where they have local offices. Thus, if the ECLA building were to be constructed without office space for other than the ECLA secretariat, an important objective of the enterprise would not have been attained and this would probably result in additional costs to Governments in the long run.

4. In view of the foregoing, the Advisory Committee has inquired into the possibility of proceeding with the construction of the building, in accordance with the original plans, and at the same time reducing to a minimum the risk of incurring any additional charge on the United Nations budget. It has been informed that it is possible to proceed on the basis of the original plan and, at the same time, to leave open until the eighteenth session of the General Assembly the final decision as to whether available resources will make possible the completion of construction along the lines originally planned. By the eighteenth session, it should be possible to assess the situation more realistically both in terms of the general economic situation in Santiago and of what additional resources have become available as a result of the voluntary contribution programme now under way. The character of the construction programme should make it possible to ensure against any additional budgetary charge if construction now goes forward as planned.

5. The Advisory Committee understands and fully appreciates the approach taken by the Secretary-General in his report with reference to proceeding with the project. Given the amount of the appropriation available and the difficulties which have been encountered, the Secretary-General could hardly have arrived at any other conclusions than those presented by him. Nevertheless, in view of the total situation and of the considerations mentioned above, the Advisory Committee suggests that it might be advisable to proceed with construction on the basis of the original plan, taking the precautions mentioned in paragraph 4, and to review the situation at the eighteenth session of the General Assembly. Meanwhile the Advisory Committee recommends that the General Assembly call for the maximum possible co-operation in the voluntary contribution programme which has been initiated.

-----