



# General Assembly

Distr.: General  
23 February 2009

Original: English

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## Sixty-third session

Agenda item 118

### Programme budget for the biennium 2008-2009

## Capital master plan

### Report of the Advisory Committee on Administrative and Budgetary Questions

#### I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the following reports relating to the capital master plan:

(a) Sixth annual progress report of the Secretary-General on the implementation of the capital master plan (A/63/477);

(b) Report of the Secretary-General on associated costs related to the capital master plan (A/63/582);

(c) Report of the Board of Auditors on the capital master plan for the year ended 31 December 2007 (A/63/5 (Vol. V));

(d) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations for the biennium ended 31 December 2007 and on the capital master plan for the year ended 31 December 2007 (A/63/327).

During its consideration of the above-mentioned reports, the Advisory Committee met with the Executive Director of the capital master plan project and other representatives of the Secretary-General, as well as with members of the Audit Operations Committee, who provided additional information and clarification. The Committee also visited various project sites. The Committee notes that the Office of Internal Oversight Services has prepared a comprehensive audit of the capital master plan.

2. In its resolution 61/251, the General Assembly approved the financing of the capital master plan and decided that the total budget for the project was not to exceed \$1,876.7 million. Subsequently, in its resolution 62/87, the Assembly approved the Secretary-General's proposal for an accelerated strategy that would result in the completion of the project by 2013. In July 2007, the Organization



entered into a pre-construction management contract with Skanska Building USA (hereinafter referred to as "Skanska").

## II. Report of the Board of Auditors on the capital master plan for the year ended 31 December 2007

3. In its report on the capital master plan for the year ended 31 December 2007 (A/63/5 (Vol. V)), the Board of Auditors made a series of recommendations related both to the management of the project and to financial issues. The Board's main recommendations, which are set out in paragraph 11 of its report, focus on project management questions. The Board recommended that the Administration:

(a) Include in the sixth annual progress report of the Secretary-General on the implementation of the capital master plan an update on the schedule and a new global cost estimate for the project;

(b) Detail the economic assumptions on which cost estimates are based, and monitor the changes in those assumptions and the impact of those changes on the project;

(c) Develop a summary scoreboard to describe the situation of the operation at any given time;

(d) Create the advisory board requested by the General Assembly in its resolution 57/292.

4. In his report on the implementation of the recommendations of the Board of Auditors (A/63/327) the Secretary-General indicated that all the above-mentioned main recommendations are currently under implementation. **The Advisory Committee encourages the Administration to pursue the expeditious implementation of all of the Board's recommendations.**

5. In his sixth annual progress report on the implementation of the capital master plan, the Secretary-General provided a new global cost estimate for the project (see A/63/477, table 1). The Advisory Committee was informed that the estimate in question was completed in September 2008. The Committee points out that, by the time the General Assembly considers the sixth annual progress report in early 2009, the design and construction phases will have advanced considerably, with concomitant consequences for the projected costs. In response to its request for more recent figures, the Committee was informed that the preparation of a global estimate was a very labour intensive and costly exercise and that it was not therefore considered prudent to complete such an exercise more than once a year. **The Advisory Committee stresses the importance of providing Member States with the most accurate estimate of the overall cost of the project. The Committee therefore trusts that the seventh annual progress report will contain a new global estimate prepared on the basis of the most up-to-date information.**

6. In paragraph 18 of its report, the Board of Auditors pointed out that the particularly uncertain economic environment could have consequences for construction prices in New York. Upon enquiry, the Advisory Committee was informed that the current economic downturn was potentially advantageous for the capital master plan insofar as it had led to lower costs for labour and materials. The Committee was also informed that inflation was no longer a significant risk to the

project and that some recent bids had been between 5 and 10 per cent lower than anticipated. In response to the Committee's concerns about the increased risk of bankruptcy, representatives of the Secretary-General indicated that steps were being taken to mitigate that risk through, inter alia, the use of contractors' bonds. In this context, the Board's recommendation on the monitoring of economic assumptions (see para. 3 (b) above) takes on particular significance. **The Advisory Committee therefore trusts that detailed information on that issue will be included in the seventh annual progress report.**

7. With regard to the Board's recommendation on the creation of an advisory board (see para. 3 (d) above), the Advisory Committee notes that the General Assembly first requested the establishment of an independent and impartial board in its resolution 57/292. The original mandate of the board was to advise the Secretary-General on financing matters and to provide advice on overall project issues (see A/57/285 and Corr.1, para. 66). However, in paragraph 52 of its report, the Board pointed out that no follow-up has been given to that proposal. The Board recalled that, in its resolution 62/87, the Assembly regretted the delay in the appointment of the advisory board and urged the Secretary-General to expedite its establishment.

8. In his sixth annual progress report, the Secretary-General indicated that efforts to establish an advisory board will continue (see A/63/477, para. 20). Upon enquiry, however, the Advisory Committee was informed that all potential candidates for the board had declined to serve owing to liability-related concerns. The Committee was also informed that, since the project is already well advanced, with the design completed, construction under way and financing fully established, the Secretary-General is of the view that, at this juncture, the mission of the advisory board appears limited.

9. Accordingly, the Advisory Committee was informed that the Secretary-General was suggesting that a separate, appropriate role for an advisory board at this stage in the renovation would be to examine and offer views on how to address the long-term space needs at United Nations Headquarters, particularly in light of the request of the General Assembly to examine the feasibility of constructing a permanent building on the North Lawn. The advisory board might also be tasked with examining the larger question of how the Organization's space needs can be addressed, given both the continued expansion of the Organization's presence in New York, the likely termination of certain leases through the United Nations Development Corporation and the availability of other commercial and host Government-supported options for office space in the vicinity of the Headquarters complex. **The Advisory Committee considers that the Secretary-General should proceed with the establishment of an advisory board as initially intended, and that any proposed changes to the mandate of the board should be presented for the consideration and decision of the General Assembly.**

10. In addition to the main recommendations discussed above, the Board of Auditors made some observations on financial issues. In particular, it reiterated its previous recommendation that the Office of the Capital Master Plan keep capitalized costs separate from operating costs relating to the project (see A/63/5 (Vol. V), para. 57). The Board also recommended that the Office, together with the Accounts Division, put in place a mechanism that directly links actual expenses and forecast expenses in order to make the management of the budget of the operation reliable (ibid., para. 65). The Advisory Committee notes that, in his report on the

implementation of the recommendations of the Board of Auditors, the Secretary-General indicated that the first of those recommendations is under implementation and that the second had already been implemented (see A/63/327, paras. 285-288).

### **III. Sixth annual progress report on the implementation of the capital master plan**

11. In section II of his sixth annual progress report on the implementation of the capital master plan (A/63/477), the Secretary-General provided an overview of the progress made since his previous report (A/62/364 and Corr.1) and affirmed that the project is still on schedule. He also indicated that the cost of the capital master plan is closer to the amount budgeted than at the time of the preparation of the fifth progress report.

12. As the Secretary-General indicated in paragraph 7 of the progress report, the Organization entered into leases for office swing space at the Albano Building (305 East 46th Street) in July 2007 and at the United Nations Federal Credit Union (UNFCU) Building (Long Island City) and at 380 Madison Avenue in August 2008. Upon enquiry, the Advisory Committee was informed that “fit-out” of all those spaces had begun and that current estimated completion dates for the “fit-out” process were as follows:

- (a) 380 Madison Avenue, initial floor: February 2009; remaining 13 floors: June-August 2009;
- (b) Albano Building: May-June 2009;
- (c) UNFCU Building (four floors only): June 2009.

The Committee was also informed that the North Lawn Conference Building was expected to be ready for occupancy in October 2009.

13. In paragraph 11 of his report, the Secretary-General indicated that the relocation plan, which covers all departments and offices that will relocate in order for renovation to commence, was finalized in August 2008. Upon enquiry, the Advisory Committee was informed that a preliminary version of the plan would be submitted to all departments and offices for review in early February 2009.

14. The Advisory Committee notes that the “fit-out” and relocation schedules have already been subject to delays. For instance, as indicated by the Board of Auditors, it was originally thought that the Secretary-General and his Executive Office would move into their swing space location in the temporary North Lawn Conference Building in May 2009 (see A/63/5 (Vol. V), para. 24), whereas, according to current projections, that move will not take place until October 2009. **The Advisory Committee urges the Secretary-General to take all necessary steps to avoid any further slippages in the relocation schedule, since, as indicated in paragraph 32 below, such delays will be extremely costly. Delays also have the potential to disrupt the work of the General Assembly at the main part of its sixty-fourth session.**

15. The Secretary-General’s report also addressed the issue of value engineering (A/63/477, sect. V). In his previous annual progress report, the Secretary-General indicated that, in order to bring the project back within the approved budget of

\$1,876.7 million, a value engineering exercise was being undertaken in an effort to find opportunities to reduce costs in a way that did not compromise quality or functionality (see A/62/364 and Corr.1, para. 30). In paragraph 15 of his current report, the Secretary-General indicated that, thus far, the exercise has resulted in approximately \$100 million in potential cost savings.

16. Upon enquiry, the Advisory Committee was informed that the most significant change to the scope of the project that had arisen as a result of value engineering was the decision to renovate the Conference Building in a single phase rather than in two phases, and that that change had yielded \$17.5 million in potential cost savings. However, the Committee also notes that some of the so-called savings identified through the value engineering exercise are actually the result of external, market-related factors. For instance, the Committee was informed that rapid changes in broadcast equipment technology had allowed the project team to rethink the location and size of the permanent broadcast facility.

17. In paragraph 15 of his report, the Secretary-General indicated that, at present, the project cost overrun stands at \$97.5 million. Upon enquiry, the Advisory Committee was informed that the Office of the Capital Master Plan was aiming to realize an additional \$100 million in savings through further value engineering efforts. The Committee was also informed that the current bidding climate should allow for additional cost reductions.

**18. The Advisory Committee continues to see merit in the value engineering exercise and encourages the Secretary-General to pursue it. However, the Committee recommends that the Secretary-General clarify the definition of value engineering to reflect the fact that the exercise entails the realization of cost reductions through a combination of design modifications, the selection of more efficient and/or less expensive alternatives and benefits derived from the changed economic circumstances. The Committee further recommends a cautious approach to the pursuit of value engineering to ensure that the quality and functionality of the project are not undermined.** In that connection, the Committee was informed that a previously rejected proposal to reduce costs by encapsulating some asbestos rather than abating it might be reconsidered. **The Committee stresses that the Organization has a commitment to safeguard the health of the staff, delegations, visitors and tourists at the United Nations, and therefore emphasizes the importance of strict compliance with the highest applicable standards for the handling of asbestos.**

19. On a related matter, the Advisory Committee draws attention to the recommendation of the Board of Auditors that the Administration specify in the cost estimate the cost of the fees relating to the value engineering programme (see A/63/5 (Vol. V), para. 28) and notes that it has not been implemented. **The Advisory Committee sees no reason why those costs cannot be disclosed, and therefore requests the Secretary-General to provide the relevant information to the General Assembly for its consideration of this question. The Committee also urges the Secretary-General to include in his seventh annual progress report a detailed description of the value engineering initiatives under way and a breakdown of the potential savings to be realized through each initiative.**

20. In section VI of his report, the Secretary-General described progress made in the area of sustainable design. The two key objectives of the sustainability initiatives outlined in the report are to reduce energy consumption by a projected

44 per cent and freshwater consumption by at least 40 per cent. **The Advisory Committee welcomes the efforts undertaken by the Secretary-General to ensure that the capital master plan contributes to the overall aim of “greening the United Nations” and notes that the aforementioned sustainability initiatives are being pursued within existing resources.**

21. A number of additional sustainability initiatives are detailed in paragraph 19 of the report. Upon enquiry, the Advisory Committee was informed that those initiatives, which consist of a building-integrated photovoltaic installation and the study of a wind energy demonstration project, would be implemented only if sufficient resources became available. **The Advisory Committee recommends that clear criteria for the selection of any additional sustainability initiatives, including a cost-benefit analysis, be developed and shared with the General Assembly.**

22. As the Secretary-General indicated in paragraph 21 of his report, in January 2008 the Secretariat reached an understanding with the authorities of the host city and country concerning the process by which the Organization would seek to meet local building, fire and safety codes. The agreement reached between the host city and the Secretariat states, inter alia, that the United Nations will voluntarily apply host city building codes to the capital master plan project and to United Nations Headquarters thereafter. Upon enquiry, the Advisory Committee was informed that that arrangement did not entail a waiver of the privileges and immunities enjoyed by the United Nations and that the intent behind it was to ensure that the Organization complied with the highest standards, particularly in the area of fire safety. In this connection, the Advisory Committee understands that it is the Organization's practice, wherever possible, to ensure that its premises comply with all relevant host country codes and standards.

**23. On a related matter, and given the critical role played by the host city in the area of safety and security, the Advisory Committee encourages the Secretary-General to pursue his negotiations on that issue with the relevant authorities.**

24. With regard to procurement, the Advisory Committee was informed, upon enquiry, that the renovation work had been split into 25 individual guaranteed maximum price contracts, eight of which had already been awarded (five for the North Lawn Conference Building (foundation; underground utilities; structure and envelope; early equipment; and mechanical systems, electrical, plumbing and fire protection); one for the Albano Building; one for the UNFCU Building; and one for the swing space in the third basement).

25. As stated in paragraph 6 above, the current economic climate is likely to be beneficial to the Organization in its efforts to implement the capital master plan within the approved budget. **The Advisory Committee emphasizes that, in awarding the remaining guaranteed maximum price contracts, every effort should be made to derive maximum benefit from prevailing favourable market conditions. In this connection, the Secretary-General may wish to consider conducting a market analysis and reporting the results thereof as part of his seventh annual progress report.**

26. In paragraph 22 of his sixth annual progress report, the Secretary-General recalled General Assembly resolutions 61/251 and 62/87, pursuant to which he was

requested to explore ways to increase procurement opportunities for vendors from developing countries and countries with economies in transition. However, the report contains little information on the concrete measures taken in that regard and, upon enquiry, the Advisory Committee was informed that Skanska had been unable to use any subcontractors from developing countries, primarily because non-local labour costs were prohibitively high. **The Advisory Committee stresses the need for compliance with the provisions of the aforementioned resolutions. Detailed information on the specific steps taken to that end should be presented in the Secretary-General's seventh annual progress report.**

27. With regard to donations, the Advisory Committee recalls that, in its resolutions 57/292, 60/256 and 61/251, the General Assembly encouraged the Secretary-General to seek donations for the capital master plan. Upon enquiry, the Committee was informed that a donation policy had been developed and had been circulated to Member States in a note verbale. Under the terms of that policy, Member States are invited to make cash donations towards renovating certain spaces in the complex. Their contributions would be publicly acknowledged by the presence of a plaque in the space in question.

**28. The Advisory Committee is supportive of the donation policy, but takes the view that the Secretary-General should consider broadening its scope to include donations in kind that are compatible with project specifications, for instance of technical equipment and other fixtures and fittings. Donations received should, to the extent possible, be used to defray the costs of the project, including associated costs (see sect. IV below), and, in order to ensure transparency, all donations should be documented and reported to the General Assembly as part of the Secretary-General's annual progress reports on the capital master plan.**

29. The Secretary-General indicated in paragraph 34 of his report that, in order to provide for improved security of the Headquarters complex, certain changes to the garage would be required that would result in the permanent elimination of approximately 350 parking spaces. The Advisory Committee was informed, upon enquiry, that in order to comply with Headquarters minimum operating security standards, as well as with relevant international security and safety standards, underground parking directly beneath the General Assembly Building would no longer be permitted. **The Advisory Committee is cognizant of the need for improved security within the complex. However, the elimination of such a large number of parking spaces cannot fail to disrupt the activities of the staff and the members of the Permanent Missions. Accordingly, the Secretary-General should explore alternative solutions, such as relocating the parking garage to another part of the basement. If, however, it proves impossible to identify a viable alternative, the Secretary-General should make every effort to mitigate the adverse effects of the measure.**

**30. The Advisory Committee recommends that the General Assembly take note of the progress made since the issuance of the fifth annual progress report and requests the Secretary-General to continue reporting on the status of the project, the schedule, the projected completion cost, the status of contributions, the working capital reserve, the status of the advisory board and the letter of credit, as well as on the other issues highlighted by the Committee in the preceding paragraphs, in his next progress report. Updated information on the**

cash position of the capital master plan fund and the working capital reserve, as well as on the status of contributions and expenditures, should be provided to the Assembly for its consideration of this question. Lastly, the Committee emphasizes the critical importance of close cooperation among the key departments involved in the capital master plan at every stage of the project and encourages the Secretary-General to continue monitoring its implementation.

#### **IV. Associated costs related to the capital master plan**

31. The Secretary-General's report on associated costs related to the capital master plan (A/63/582) was submitted in response to the request of the General Assembly contained in its resolution 62/87. As the Secretary-General indicated in paragraph 1 of his report, during the construction period of the plan, temporary increases in staffing and operational costs will be required in certain parts of the Secretariat that will support the construction activities. In the above-mentioned resolution, the General Assembly requested the Secretary-General to make every effort to absorb such costs within the approved budget of his capital master plan. However, despite the efforts undertaken to that effect, the Secretary-General has determined that such absorption will not be possible without an adverse effect on the project itself (*ibid.*, para. 3).

32. The Advisory Committee was informed that, on 5 June 2008, the Secretary-General wrote to the President of the General Assembly to inform him that failure to proceed with elements of the associated costs would delay the core capital master plan project. The cost of such delays is currently estimated at \$14 million per month. As a result of the above-mentioned letter, and pending consideration by the Assembly of the Secretary-General's report on associated costs, a limited financial commitment authority in the amount of \$9.5 million was established on 18 July 2008, drawing on the available cash balance in the capital master plan account. A further commitment authority in the amount of \$9.8 million was established on 13 January 2009.

33. The Secretary-General has determined that associated costs estimated at \$185,997,400 gross (\$176,569,000 net) would be required for the period 2008-2013 for four departments, namely, the Department for General Assembly and Conference Management, the Department of Public Information, the Office of Central Support Services of the Department of Management and the Department of Safety and Security. The estimated additional requirements for the biennium 2008-2009 amount to \$38,191,200 gross (\$35,816,700 net). Table 3 of the Secretary-General's report summarizes those requirements by organizational unit and by object of expenditure.

34. **The Advisory Committee believes that, with almost four years remaining until the projected completion date of the capital master plan, it is premature to conclude that some or all of the associated costs cannot be absorbed within the approved project budget, particularly since, going forward, favourable market conditions may give rise to significant cost reductions (see para. 6 above). The Committee also has some concerns about the way in which the request for additional resources to meet the associated costs has been presented. In particular, a number of the requirements listed in the report do not relate directly to the capital master plan but rather to ongoing capital improvements,**



and thus the Committee is of the view that, without prejudice to the relative merits of the requests themselves, they should not be considered as associated costs. Associated costs should not be investment costs or long-term commitments. The Committee also considers that it is too early to take any decision on the estimated resource requirements for the next two bienniums (2010-2011 and 2012-2013). Accordingly, the Committee recommends that the Secretary-General submit the estimated resource requirements for associated costs related to the capital master plan for the bienniums 2010-2011 and 2012-2013 in the context of the budget proposals for those bienniums (see para. 61 below). For that reason, the Committee has not commented in detail on the specific proposals relating to the bienniums 2010-2011 and 2012-2013 in the paragraphs below.

#### **A. Department for General Assembly and Conference Management**

35. In paragraph 10 of his report, the Secretary-General detailed the projected requirements for the Department for General Assembly and Conference Management, which amount to an estimated \$2,810,900 for the duration of the project under other staff costs. The estimated resource requirements for associated costs for the current biennium amount to \$995,300. Upon enquiry, the Advisory Committee was informed that the additional resources would be used to cover the cost of temporary staff positions equivalent to two Information Systems Officers (P-3) and four Records Management Assistants (General Service (Other level)) for a period of 18 months, as well as five Information and Communications Technology Technicians (General Service (Other level)) for a period of three months.

36. In response to concerns expressed by the Advisory Committee regarding the need for additional, dedicated information and communications technology (ICT) capacity within the Department, representatives of the Secretary-General explained that the Department hosts, maintains and runs many mission-critical, conference-specific databases and systems, such as e-Meets and e-Doc, and is therefore responsible for providing all first-level support for those systems. Accordingly, the existing staffing complement of the Department's Information and Communications Technology Section (1 P-5 and 16 General Service (Other level) staff) is fully occupied and will be unable to deal with the additional workload generated by the capital master plan. The Committee was informed that, for the duration of the plan, the temporary assistance requested would be responsible, inter alia, for ensuring that staff spread across eight locations receive adequate ICT support services. During the 90-day relocation phase, the five additional ICT Technicians would perform the following functions: assigning Transmission Control Protocol/Internet Protocol (TCP/IP) addresses; reconfiguring network shared devices; validating mapping of network drives; and checking access to information system and information resources.

**37. The Advisory Committee is of the view that the request for \$995,300 submitted by the Department for General Assembly and Conference Management for the biennium 2008-2009 is reasonable and therefore recommends that the General Assembly approve it, on the understanding that every effort will be made to absorb the additional requirements.**

## **B. Department of Public Information**

38. In paragraphs 11 and 12 of his report, the Secretary-General set out the estimated requirements for the Department of Public Information, which amount to \$33,858,900 for the period 2008-2013. The bulk of those resources (\$30,035,800) would be required for 2010-2013 and would be used to replace the current obsolete broadcast equipment with an integrated system that represents the latest technology and standards in the industry. The amount of \$3,823,100 required for the biennium 2008-2009 would be used for consultancy services (\$3,504,000) to assist in the development of the aforementioned system, as well as for contractual services (\$319,100) for the reconfiguration of one radio studio for the new International Broadcast Centre and for audio-visual archivists to work on the inventory, appraisal, selection, classification, retention, disposal and indexing of audio-visual records.

39. Upon enquiry, the Advisory Committee was informed that the Organization's broadcast equipment had been obsolete for several years owing, inter alia, to the fact that the core technology of the current system uses analog equipment whereas the majority of broadcasters now use digital formats. The Committee was also informed that approximately half the estimated cost of the broadcast facility would be in the installation. Thus, to avoid double expenditure, the Department of Public Information had delayed the replacement of core broadcast systems for three bienniums so that the new systems could be installed at the facility's new location on the first floor of the renovated Conference Building. It was explained that it would be impractical to consider relocating the existing equipment as it had far exceeded its normal serviceable life, was no longer supported by the manufacturers and spare parts were no longer available. Furthermore, liability concerns would make it almost impossible to find a contractor willing to undertake the relocation exercise. It was also pointed out that, to ensure uninterrupted service during the renovation period, the new facility would have to be up and running before the current one could be decommissioned.

40. As to the additional requirements requested for audio-visual archiving, the Advisory Committee was informed, upon enquiry, that the legacy film/video collection of the Organization was vast. In anticipation of the capital master plan, the Department of Public Information had acquired a tape management system that would be integrated with a digital system. Those systems would allow the Department to organize its holdings during the capital master plan when film, video and audio materials would be moved. The Committee was also informed, however, that the two existing General Service staff members working in the audio-visual library had neither the specialized skills nor the time needed to index and preserve the collection and ensure that it remained accessible to researchers.

**41. The Advisory Committee is of the view that the broadcast facility is an invaluable asset to the Organization since it provides an interface with the world's media and enables all internal communications. The Committee therefore agrees that the facility's antiquated equipment is in urgent need of modernization. Although the Committee has doubts as to whether, strictly speaking, the resources requested can be regarded as associated costs related to the capital master plan, since the need to upgrade the broadcast facility existed long before the capital master plan was conceived, it nevertheless recommends approval of the amount of \$3,504,000 requested for the biennium 2008-2009 for consultancy services, on the understanding that every effort will be made to**

absorb the additional requirements and that consultants will be used only where no in-house capacity exists. In view of the historical significance of the Organization's audio-visual archives, the Committee also recommends approval of the amount of \$319,100 for, inter alia, audio-visual archivists.

### C. Office of Central Support Services

42. In paragraphs 13 to 20 of his report, the Secretary-General details the estimated associated costs for the Office of Central Support Services. Resources estimated at \$97,121,800 would be required for the duration of the renovation project. Of that amount, an estimated \$18,963,100 would be required for the biennium 2008-2009.

43. The Advisory Committee was informed that the bulk of the estimated resource requirements for the period 2008-2013 (\$67,344,200) was related to furniture and equipment, including, as indicated in paragraph 14 of the Secretary-General's report, office furniture for approximately 4,500 staff, as well as conference room chairs and furniture in lobbies, lounge areas and informal meeting rooms. For the biennium 2008-2009, an estimated amount of \$5,191,700 would be required, including furniture for 300 staff moving to the Secretariat basements (\$2,100,000) and new lockers for 200 contractors without desk space in the office (\$160,000).

44. The Advisory Committee understands that it will be necessary to purchase new furniture to fit out the renovated premises. **However, with regard to temporary relocations, the Committee believes that expenditure should be limited by ensuring that, where feasible, existing furniture is utilized.**

45. The Office of Central Support Services is also requesting an estimated \$6,807,400 for the duration of the project under other staff costs. Of that amount, \$1,884,100 relates to the biennium 2008-2009. Upon enquiry, the Advisory Committee was informed that those resources would be used to fund the following 13 temporary positions: one Capital Master Plan Team Project Coordinator (P-5); one Records Management Officer (P-3); one Information Systems Officer (P-3); one Technical Coordination Officer (P-3); one Buildings Management Officer (P-2); one Associate Office Space Planning Officer (P-2); one Associate Architect (P-2); one Technical and Administrative Assistant (General Service (Principal level)); one Facilities Management Assistant (General Service (Principal level)); one Records Management Assistant (General Service (Other level)); one Administration Assistant (General Service (Other level)); and two Information Technology Assistants (General Service (Other level)). The Advisory Committee was also informed that the resources required to fund the two General Service (Other level) Information Technology Assistants would be allocated to the newly established Office of Information and Communications Technology. That arrangement is discussed in further detail in paragraph 47 below.

46. **The Advisory Committee has reservations about the level of temporary assistance requested by the Office of Central Support Services.** In the Committee's view, some of the positions listed in paragraph 45 above, in particular the Capital Master Plan Team Project Coordinator (P-5), who would be responsible for the overall planning, coordination and supervision of the Facilities and Commercial Services Division's capital master plan team, appear to be mission critical and, as such, should already have been provided for in the budget of the

capital master plan. Other positions requested, for instance the Records Management Officer (P-3), seem to entail functions that could be performed by existing staff members, either in the Office of Central Support Services or elsewhere in the Secretariat.

47. With particular reference to the three temporary ICT-related positions, the Advisory Committee was informed, upon enquiry, that following the establishment of the Office of Information and Communications Technology, pursuant to General Assembly resolution 63/262, the Information and Technology Services Division of the Office of Central Support Services was fully integrated into the new Office, and that, accordingly, the latter had assumed overall responsibility for dealing with the ICT-related aspects of the capital master plan. The Committee was provided with a breakdown of the portion of the associated costs that would be required by the new Office (see annex I). Those costs include funding for the two above-mentioned Information Technology Assistants (General Service (Other level)), but not for the P-3 Information Systems Officer. Upon enquiry, the Committee was informed that the functions of that position, which include the management of system support to electronic data, did not fall within the purview of the Office of Information and Communications Technology, since that Office did not carry out the specific functions related to conference support systems. **Nevertheless, the Advisory Committee is of the view that it should be possible to take advantage of the opportunities for centralization and integration of ICT services afforded by the recent establishment of the Office of Information and Communications Technology to assign all the ICT functions associated with the capital master plan to existing staff members.**

48. In paragraphs 18 to 20 of his report, the Secretary-General indicates that total resources estimated at \$10,070,900 would be required for ICT services. After having subtracted the amount required under other staff costs (\$1,210,400), the remaining resources would be used, inter alia, for contractual and consultancy services for the migration of all ICT applications to the new North Lawn Conference Building and for the acquisition, installation and maintenance of security-related equipment to support the Department of Safety and Security hardware and software requirements for the existing security command centre and a primary security command centre.

49. The Advisory Committee recalls that, in its resolution 63/262, the General Assembly decided not to approve the Secretary-General's proposal for a new secondary data centre. Upon enquiry, the Committee was informed that the Secretary-General, in response to the request of the General Assembly in that resolution, was currently preparing a report on how the risks associated with the migration of the primary data centre could be mitigated. The Committee understands that the secure migration of data to the new North Lawn Conference Building is an essential component of the capital master plan. However, in the absence of a secondary data centre, it is clear that the migration exercise cannot proceed as planned and that alternative solutions must be sought. **In the Advisory Committee's view, it is difficult to judge the level of resources required until a viable solution is agreed upon. Accordingly, the Committee encourages the Secretary-General to identify such a solution in the most expeditious manner.**

50. The Advisory Committee notes that, by the time the General Assembly considers the request, in March 2009 at the earliest, only nine months of the biennium will remain. For that reason, and for the reasons outlined in the

preceding paragraphs, the Committee recommends a reduction of 40 per cent in the resources requested for general temporary assistance for the Office of Central Support Services and the Office of Information and Communications Technology, as well as a corresponding reduction in related non-post resources, for the biennium 2008-2009.

#### **D. Department of Safety and Security**

51. In paragraph 21 of his report on associated costs, the Secretary-General indicated that resources amounting to \$42,777,400 would be required for the Department of Safety and Security for the duration of the project. Of that amount, an estimated \$12,035,200 would be needed during the biennium 2008-2009.

52. According to the Secretary-General, the bulk of the resources requested relate to a temporary security contingent to provide security coverage in accordance with minimum operating security standards related to swing space locations and construction activity at the North Lawn and the Secretariat Buildings. The temporary contingent includes eight Professional positions (1 Capital Master Plan Security Coordinator (P-5); 1 Capital Master Plan Security and Planning Operations Officer (P-4); 1 Capital Master Plan Information Technology Security Liaison Officer (P-4); 1 Capital Master Plan Safety Officer/Code Expert (P-3); 1 Capital Master Plan Physical Security Officer (P-3); 1 Capital Master Plan Compliance/Quality Control/Host Country Security Liaison Officer (P-3); 1 Capital Master Plan Loss Prevention and Investigation Officer (P-3); and 1 Administrative Officer), six General Service (Other level) positions and 93 Security Officer positions. The increased number of security officers would generate additional costs for uniforms, substance and other psychological testing, training, ammunition supplies, storage and locker services, communication costs and canine supplies. In addition, office automation equipment, security equipment, vehicles and trailers would be required, as well as X-ray equipment and metal detectors at the new entry points created by the construction project.

53. Upon enquiry, the Advisory Committee was provided with organization charts of the Department of Safety and Security as a whole (annex II.A) and of the Security and Safety Service at Headquarters (annex II.B), which illustrate the proposed distribution of the temporary positions requested by the Secretary-General. The Committee was also informed that, following the Secretary-General's decision to establish a limited commitment authority for the associated costs (see para. 32 above), the Department had issued vacancy announcements for some of those positions. To date, the Capital Master Plan Security Coordinator position (P-5), the Security and Planning Operations Officer position (P-4), the Administrative Officer position (P-3) and two General Service positions have been filled. In addition, 25 Security Officers were recruited in November 2008 and have been deployed to cover access control functions related to the capital master plan. A further 39 Security Officers were due to begin their basic recruitment training on 2 February 2009.

54. **With regard to the Professional positions requested, the Advisory Committee is of the view that their number could be reduced, since some of the proposed functions duplicate existing capacity.** For instance, the Committee was informed that the Capital Master Plan Loss Prevention and Investigation Officer

(P-3) would be responsible for implementing a system for reporting and investigation of incidents related to theft/loss/damage of United Nations materials and property and injury to staff associated with the capital master plan. He/she would also be required to ensure that theft/loss related, inter alia, to contractors' equipment is dealt with by the contractor and not the responsibility of the United Nations. The Committee points out that the Department of Safety and Security has an established Special Investigations Unit that addresses theft and loss, among other issues. The Committee further points out that the Department also has a Physical Security Unit. It should therefore be possible to incorporate the functions of the proposed Capital Master Plan Physical Security Officer (P-3), which include responsibility for all construction site physical security issues and for ensuring the accuracy of proposals presented for perimeter and interior hardening and electronic security systems, into the duties of the existing staff of that Unit.

55. The Advisory Committee requested, but did not receive, information detailing the basis for the Department's determination that it would need an additional 93 security officers for the duration of the capital master plan. Such information, including an indication of the deployment of current and proposed additional security officers by locations, should be provided to the General Assembly for its consideration of this question. **The Advisory Committee is supportive of the Secretary-General's efforts to strengthen the safety and security of United Nations premises, and is cognizant of the additional demands that will be placed upon the Security and Safety Service as a result of the relocation of Secretariat staff to multiple off-campus locations for the duration of the project. Nevertheless, it takes the view that, absent a fully justified proposal, and given the fact that reduced requirements for security in the Secretariat and Conference Buildings during the renovation could conceivably allow for the redeployment of some existing staff, it should be possible to lower the overall associated costs for the Department by recruiting fewer security officers. This, in turn, would result in proportionately lower requirements under contractual services, general operating expenses, supplies and materials and furniture and equipment. The Committee trusts that the Secretary-General will take the necessary steps to ensure that the temporary Security Officer positions requested are not retained beyond the completion date of the capital master plan.**

56. The Advisory Committee is also of the view that the resources requested for training could be further reduced by recruiting individuals who have already been trained and certified in construction site safety and security.

57. For the reasons outlined in the preceding paragraphs, and in view of the timing of the General Assembly's consideration of the proposal (see para. 50 above), the Advisory Committee recommends a reduction of 40 per cent in the resources requested for general temporary assistance for the Department of Safety and Security, as well as a corresponding reduction in related non-post resources, for the biennium 2008-2009.

## V. Actions to be taken by the General Assembly

58. In paragraph 23 (a) of his report, the Secretary-General requested the General Assembly to approve the overall level of associated costs estimated at \$185,997,400 gross (\$176,569,000 net). Upon enquiry, the Advisory Committee was informed that, while the Secretary-General was confident that the estimates had addressed all the possible requirements for the associated costs over the project lifetime, he could not rule out the possibility of unforeseen additional costs over the next four years. **Accordingly, and in light of the observations and recommendations set out in the preceding paragraphs, the Advisory Committee does not recommend approval of the overall level of associated costs at this time.**

59. In paragraph 23 (b) of his report, the Secretary-General requested the General Assembly to approve the total associated costs for the biennium 2008-2009 in the amount of \$35,816,700 net (\$38,191,200 gross). **In light of the observations and recommendations set out in the preceding paragraphs, the Advisory Committee recommends approval of a total amount of \$30,272,400 net (\$31,768,700 gross), broken down as follows:**

**\$995,300 under section 2, General Assembly and Economic and Social Council affairs and conference management; \$3,823,100 under section 27, Public information; \$13,356,100 under section 28D, Office of Central Support Services; \$4,521,600 under section 32, Construction, alteration, improvement and major maintenance; \$7,576,300 under section 33, Safety and Security; and \$1,496,300 under section 35, Staff assessment, to be offset by an equivalent amount of income under income section 1, Income from staff assessment, of the programme budget for the biennium 2008-2009.**

60. With regard to the request contained in paragraph 23 (c) of the Secretary-General's report, the Advisory Committee is of the view that it is for the General Assembly to decide whether, for the biennium 2008-2009, in order to meet the associated costs for the capital master plan, the provisions for the application of credits under regulations 3.2 (d), 5.3 and 5.4 of the Financial Regulations and Rules of the United Nations should be suspended in respect of the amount of \$31,768,700 gross (\$30,272,400 net).

61. Lastly, with regard to the request contained in paragraph 23 (d) of the Secretary-General's report, the Advisory Committee sees no reason to note in advance a preliminary estimate for coming bienniums. It therefore recommends that the requirements for associated costs related to the capital master plan for the bienniums 2010-2011 and 2012-2013 be submitted in the proposed programme budgets for those bienniums.

### Breakdown of the portion of associated costs allocated to the budget of the Office of Information and Communications Technology

	2008	2009	2008-2009	2010	2011	2012	2010-2012	2008-2012
Other staff costs								
General temporary assistance <sup>a</sup>	0	153 800	153 800	153 800	153 800	153 800	461 400	615 200
<b>Subtotal — other staff costs</b>	<b>0</b>	<b>153 800</b>	<b>153 800</b>	<b>153 800</b>	<b>153 800</b>	<b>153 800</b>	<b>461 400</b>	<b>615 200</b>
Consultant								
Consultant	0	24 000	24 000	0	0	0	0	24 000
<b>Subtotal — consultant</b>	<b>0</b>	<b>24 000</b>	<b>24 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24 000</b>
Contractual services								
Training and retraining	0	0	0	0	0	0	0	0
Contractual engineering	0	0	0	0	0	0	0	0
Data-processing services	0	1 519 733	1 519 733	483 200	483 200	483 200	1 449 600	2 969 333
<b>Subtotal — contractual services</b>	<b>0</b>	<b>1 519 733</b>	<b>1 519 733</b>	<b>483 200</b>	<b>483 200</b>	<b>483 200</b>	<b>1 449 600</b>	<b>2 969 333</b>
General operating expenses								
Rental of premises	0	0	0	0	0	0	0	0
Data processing and office automation	0	0	0	0	0	0	0	0
Other specialized services	0	0	0	0	0	0	0	0
Miscellaneous maintenance services	0	0	0	0	0	0	0	0
<b>Subtotal — general operating expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Furniture and equipment								
Office furniture and equipment	0	0	0	0	0	0	0	0
Vehicle	0	0	0	0	0	0	0	0
<b>Subtotal — furniture and equipment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Improvement to premises <sup>b</sup>								
Improvement to premises	0	2 078 100	2 078 100	2 289 100	0	1 500 000	3 789 100	5 867 200
<b>Subtotal — improvement to premises</b>	<b>0</b>	<b>2 078 100</b>	<b>2 078 100</b>	<b>2 289 100</b>	<b>0</b>	<b>1 500 000</b>	<b>3 789 100</b>	<b>5 867 200</b>
<b>Total — non-post</b>	<b>0</b>	<b>3 775 633</b>	<b>3 775 633</b>	<b>2 926 100</b>	<b>637 000</b>	<b>2 137 000</b>	<b>5 700 100</b>	<b>9 475 733</b>

<sup>a</sup> Two IT assistants (General Service (Other level)).

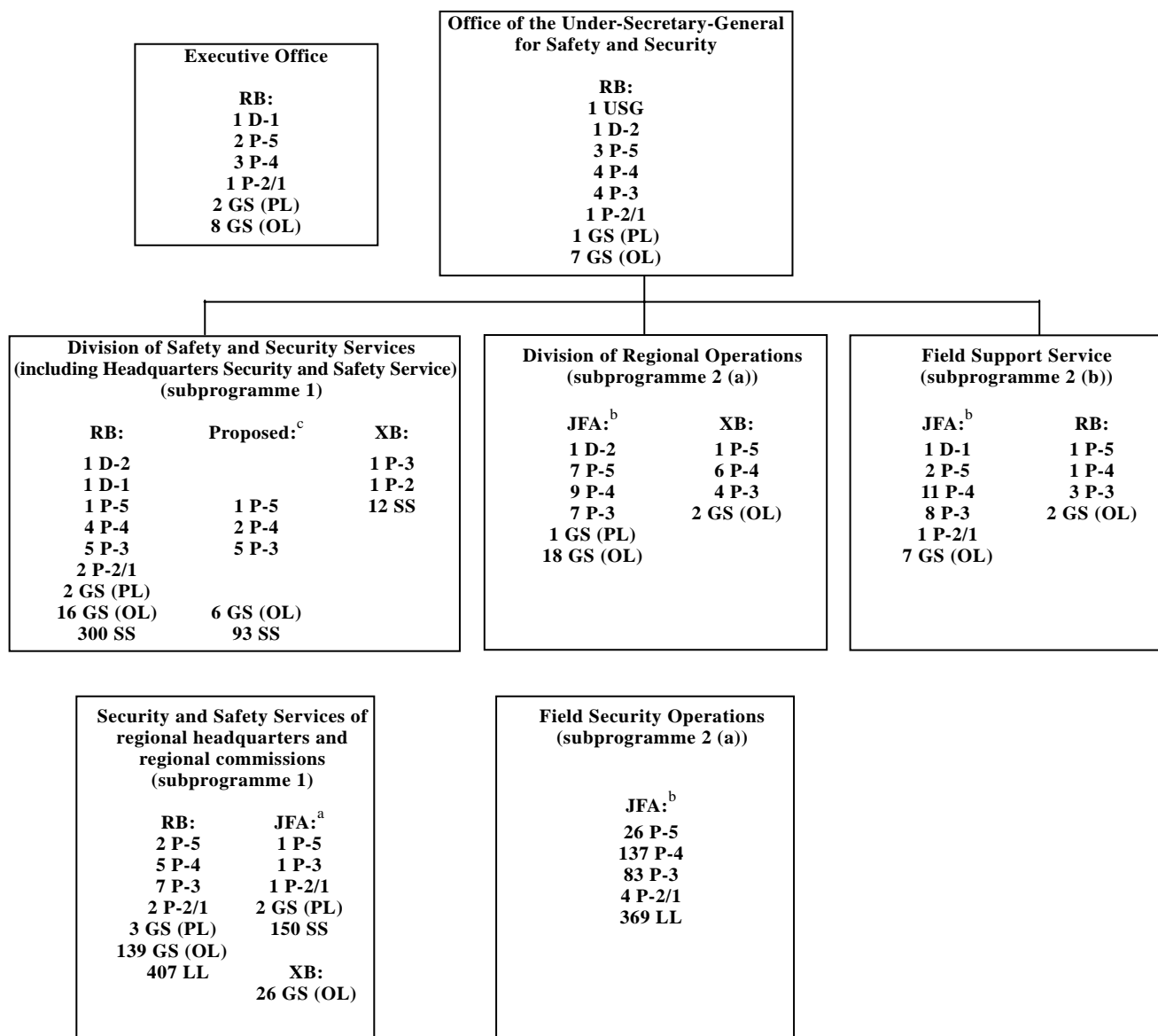
<sup>b</sup> To be issued under section 32, Construction, alteration, improvement and major maintenance.



## Annex II

### Organization charts

#### A. Department of Safety and Security: organizational structure and post distribution for the biennium 2008-2009



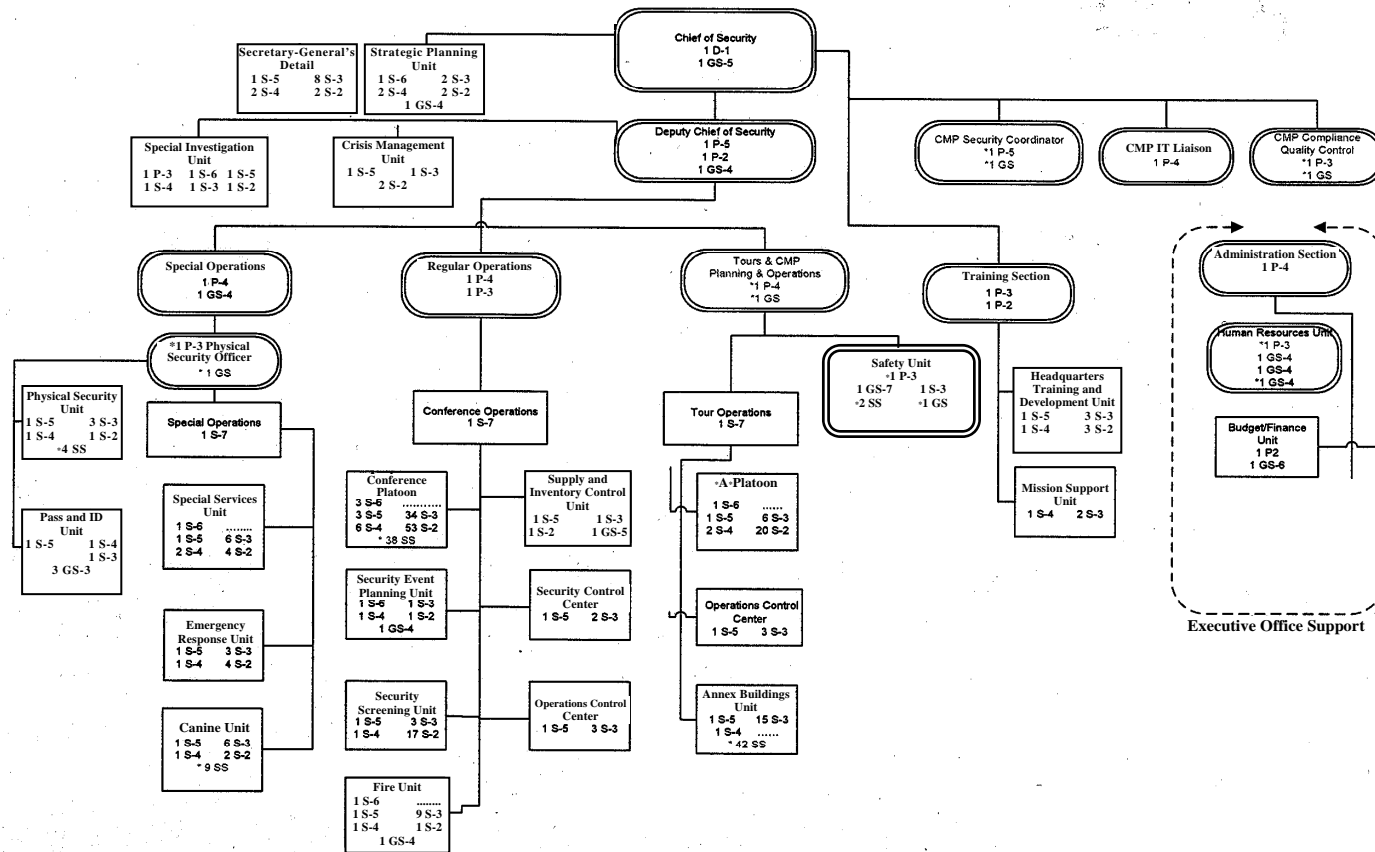
*Abbreviations:* RB, regular budget; JFA, jointly financed activities; XB, extrabudgetary; USG, Under-Secretary-General; GS, General Service; PL, Principal level; OL, Other level; SS, Security Service; LL, Local level.

<sup>a</sup> Jointly financed by all Vienna International Centre-based organizations relating to the Security and Safety Section, Vienna.

<sup>b</sup> Jointly financed by all the organizations participating in the security management system in the field.

<sup>c</sup> New general temporary assistance positions proposed by the Secretary-General in his report on associated costs related to the capital master plan (A/63/582).

## B. Security and Safety Service: Headquarters



\* Proposed new capital master plan positions; 8 Professional, 6 General Service and 93 Security and Safety posts.