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SECURITY ENHANCEMENTS AND PROPOSED NEW CONFERENCE FACILITIES

Supplementary estimates for the biennium 2004-2005 for security enhancements

Proposal of the Director-General

The present document includes the Director-General's proposal for supplementary appropriations in respect of security enhancements needed to ensure that the Vienna International Centre responds effectively to headquarters minimum operating security standards (H-MOSS).

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Introduction

1. Documents IDB.29/7-PBC.10/7 and IDB.29/19 provided information on security enhancements required to ensure that the Vienna International Centre responds effectively to the Headquarters Minimum Operating Security Standards (H-MOSS). Having considered various funding options, the Industrial Development Board, in decision IDB.29/Dec.4, recommended that the General Conference at its next regular session consider and approve the financing of UNIDO's share of the costs of the initial phase through supplementary appropriations for the biennium 2004-2005.
2. The present document compiles the resources of both the initial and second phases, together with additional requirements, and presents the same in the format of supplementary estimates for the biennium 2004-2005. This information should also be considered in conjunction with document IDB.30/11-PBC.21/11, which updates the information provided in the earlier reports on measures undertaken and still required, and the financial implications thereof for UNIDO.

I. REGULATORY FRAMEWORK

3. Financial regulation 3.9 provides that "Supplementary estimates for the current fiscal period for the regular and operational budgets shall, when required, be submitted by the Director General. They shall be prepared in a form consistent with the approved budgets, and they shall be reviewed and approved in accordance with the procedure laid down for the initial estimates in regulations 3.5 to 3.8 and 3.11".
4. The procedure referred to in regulations 3.5 to 3.8 foresees that supplementary estimates shall be submitted by the Director-General to the Industrial Development Board through the Programme and Budget Committee. The Board shall examine the proposals by the Director-General, together with any recommendations of the Programme and Budget Committee and adopt the proposal by a two-thirds majority with such modifications, as it deems necessary, for submission to the Conference for consideration and approval. The Conference shall consider and approve by a two-thirds majority the proposal. It may make amendments, however, in accordance with financial regulation 3.11, i.e. by referring the matter back to the Programme and Budget Committee and the Industrial Development Board, should there be anticipated expenditures in connection with the amendments.

II. FINANCIAL REQUIREMENTS

Phase I

5. United Nations General Assembly resolution 58/295 on strengthening the security and safety of United Nations operations, staff and premises approved the initial measures of security enhancements at the Vienna International Centre. The total cost of the initial phase has been estimated at the level of \$8.4 million, with a UNIDO share of \$1.38 million.

6. Since the activities are transacted in euros by the United Nations Office at Vienna (UNOV), the approved US dollar amount was an expression of the underlying euro value at the exchange rate €0.901 = US\$1, which was the official United Nations rate of exchange at the time of submitting the requirements to the United Nations General Assembly.

7. UNIDO has its accounts in euros. Therefore, the financial requirements have to be expressed in the base currency. Applying the rate of exchange used for the calculation of the US dollar equivalent, the full cost of the initial phase amounted to €7.6 million, of which UNIDO's share was €1.22 million.

Phase II

8. Subsequently, phase II of the security enhancements was approved by the United Nations General Assembly, which adopted resolution A/RES/59/276 on 23 December 2004 and appropriated a further amount of \$7.6 million. Similarly, the budgetary requirements represent a euro-based calculation, with a rate of exchange corresponding to €0.901 = US\$1. Thus the approved level of phase II amounts to €6.9 million, of which UNIDO's share represents a funding requirement of €1.11 million.

9. Two additional projects have started that are not listed in the General Assembly resolutions, but are nonetheless part of the H-MOSS enhancements. As discussed in the progress report (IDB.30/11-PBC.21/11, para. 8), these relate to windows replacement and radio-frequency grounds passes.

10. The total financial requirements for the window replacement amount to €4 million. Out of this amount, a total of €2.5 million is being financed through the buildings management programme, since this portion of the work represents maintenance-type costs. The incremental cost of installing laminated, anti-shattering glass that corresponds to H-MOSS requirements and

hence represents a security expenditure amounts to €1.5 million. UNIDO's share of this cost item equals €0.24 million.

11. The installation of an access control system consisting of radio-frequency equipment to read grounds passes is estimated by UNOV at \$0.8 million, or €0.75 million. UNIDO's share represents an additional funding requirement of €0.12 million.

12. The total cost of phase II for UNIDO amounts to €1.47 million.

III. SUPPLEMENTARY ESTIMATES FOR THE BIENNIUM 2004-2005

Major Programme H: Indirect Costs

Programme H.1: Contribution to shared services and other indirect costs

General description

13. The two phases of the security enhancements programme represent additional financing requirements for UNIDO under Programme H.1 – Contribution to shared services and other indirect costs. Since UNOV has the overall responsibility and accountability for security and safety at the VIC, as well as the overall design and implementation of both phases of the H-MOSS, the additional budgetary requirements fall under the expenditure heading "Security and safety services (UNOV)". The total financial requirements of both phases amount to €2.7 million.

Inputs (resource estimates in euros)

2004-2005 supplementary estimates	Regular budget
Security and safety services (UNOV)	
Phase I (approved by the United Nations General Assembly)	1,227,990
Phase II (approved by the United Nations General Assembly)	1,113,780
Incremental cost of windows replacement	243,390
Radio-frequency equipment for access control	121,850
Total gross expenditure	2,707,010
Total income	0
Total net resources	2,707,010

Need and objective

14. The need for and the objective of the security enhancements were detailed in documents IDB.29/7-PBC.20/7, IDB.29/19 and IDB.30/11-PBC.21/11, and can be summarized as making the Vienna International Centre compliant with H-MOSS requirements.

Activities and outputs

15. The activities and outputs of the security enhancements are detailed in documents IDB.29/7-PBC.20/7, IDB.29/19 and IDB.30/11-PBC.21/11.

Performance indicators

16. Since the programme is being implemented by UNOV, no UNIDO indicator has been defined.

IV. APPROPRIATION AND SCALE OF ASSESSMENT

17. The supplementary estimates would be communicated to Member States along with the obligations in respect of annual contributions to the regular budget and advances to the Working Capital Fund in the assessment letter for 2006. The amount assessed on Member States is listed in the annex to the present document, based on the UNIDO scale of assessments for 2004.

V. AVAILABILITY OF SUPPLEMENTARY APPROPRIATION

18. United Nations Headquarters, (a) recognizing that construction-related projects may not be fully implemented within the biennium due to project complexities or external factors and (b) given the one-time nature of the appropriation, applied special procedures to treat these projects as a multi-year programme. Consequently, UNOV will continue to draw funds from the approved budget for these projects in the biennium 2006-2007. In order for UNIDO to utilize the supplementary appropriation according to the implementation pace determined by UNOV, it is essential not to constrain the availability of funding to the biennium 2004-2005.

19. Accordingly, a special account to hold the amounts received for the supplementary estimates for security enhancements should be established in line with financial regulations 6.3 and 6.4. The purpose of the special account would be identical to that of the present supplementary estimates. Information on the

account will be provided regularly to the Board through the Programme and Budget Committee. The account will also be subject to review by the External Auditor. The special account would not be subject to financial regulations 4.2(b) and 4.2(c) and therefore would allow financing the approved security enhancement projects up to their completion. After that time, the special account would be liquidated.

VI. ACTION REQUIRED OF THE COMMITTEE

20. The Committee may wish to consider the adoption of the following conclusion:

“The Programme and Budget Committee:

“(a) Takes note of the information provided in document IDB.30/12-PBC.21/12 concerning supplementary estimates for the biennium 2004-2005;

“(b) Recommends to the Board the adoption of the supplementary estimates for 2004-2005 as presented in document IDB.30/12-PBC.21/12;

“(c) Also recommends to the Board to take note of the establishment of a special account by the Director-General as described in IDB.30/12-PBC.21/12 for the purpose of financing UNIDO’s share of the security enhancements.”

Annex

**SCALE OF ASSESSMENTS FOR APPORTIONMENT OF
SECURITY IMPROVEMENT MEASURES**

Member State	UNIDO assessment rate 2004 (percentage)	EURO contribution amount
Afghanistan	0.00100	27
Albania	0.00426	115
Algeria	0.09951	2,694
Angola	0.00284	77
Argentina	1.37752	37,290
Armenia	0.00284	77
Austria	1.34625	36,443
Azerbaijan	0.00569	154
Bahamas	0.01706	462
Bahrain	0.02559	693
Bangladesh	0.01000	271
Barbados	0.01279	346
Belarus	0.02701	731
Belgium	1.60498	43,447
Belize	0.00100	27
Benin	0.00284	77
Bhutan	0.00100	27
Bolivia	0.01137	308
Bosnia and Herzegovina	0.00569	154
Botswana	0.01422	385
Brazil	3.39761	91,974
Bulgaria	0.01848	500
Burkina Faso	0.00284	77
Burundi	0.00100	27
Cambodia	0.00284	77
Cameroon	0.01279	346
Cape Verde	0.00100	27
Central African Republic	0.00100	27
Chad	0.00100	27
Chile	0.30138	8,158
China	2.17788	58,956
Colombia	0.28574	7,735
Comoros	0.00100	27
Congo	0.00100	27
Costa Rica	0.02843	770
Côte d'Ivoire	0.01279	346
Croatia	0.05544	1,501
Cuba	0.04265	1,155
Cyprus	0.05402	1,462
Czech Republic	0.28858	7,812
Democratic People's Republic of Korea	0.01279	346
Democratic Republic of the Congo	0.00569	154
Denmark	1.06477	28,823
Djibouti	0.00100	27
Dominica	0.00100	27
Dominican Republic	0.03270	885
Ecuador	0.03554	962
Egypt	0.11515	3,117

Member State	UNIDO assessment rate 2004 (percentage)	EURO contribution amount
El Salvador	0.02559	693
Equatorial Guinea	0.00100	27
Eritrea	0.00100	27
Ethiopia	0.00569	154
Fiji	0.00569	154
Finland	0.74207	20,088
France	9.19202	248,829
Gabon	0.01990	539
Gambia	0.00100	27
Georgia	0.00711	192
Germany	13.88754	375,938
Ghana	0.00711	192
Greece	0.76624	20,742
Grenada	0.00100	27
Guatemala	0.03838	1,039
Guinea	0.00426	115
Guinea-Bissau	0.00100	27
Guyana	0.00100	27
Haiti	0.00284	77
Honduras	0.00711	192
Hungary	0.17059	4,618
India	0.48476	13,123
Indonesia	0.28432	7,697
Iran (Islamic Republic of)	0.38667	10,467
Iraq	0.19334	5,234
Ireland	0.41795	11,314
Israel	0.58996	15,970
Italy	7.20001	194,905
Jamaica	0.00569	154
Japan	22.00000	595,542
Jordan	0.01137	308
Kazakhstan	0.03980	1,077
Kenya	0.01137	308
Kuwait	0.20897	5,657
Kyrgyzstan	0.00100	27
Lao People's Democratic Republic	0.00100	27
Lebanon	0.01706	462
Lesotho	0.00100	27
Liberia	0.00100	27
Libyan Arab Jamahiriya	0.09525	2,578
Lithuania	0.02417	654
Luxembourg	0.11373	3,079
Madagascar	0.00426	115
Malawi	0.00284	77
Malaysia	0.33407	9,043
Maldives	0.00100	27
Mali	0.00284	77
Malta	0.02132	577
Mauritania	0.00100	27
Mauritius	0.01564	423
Mexico	1.54385	41,792
Monaco	0.00569	154
Mongolia	0.00100	27

Member State	UNIDO assessment rate 2004 (percentage)	EURO contribution amount
Morocco	0.06255	1,693
Mozambique	0.00100	27
Myanmar	0.01000	271
Namibia	0.00995	269
Nepal	0.00569	154
Netherlands	2.47073	66,883
New Zealand	0.34260	9,274
Nicaragua	0.00100	27
Niger	0.00100	27
Nigeria	0.09667	2,617
Norway	0.91835	24,860
Oman	0.08672	2,348
Pakistan	0.08672	2,348
Panama	0.02559	693
Papua New Guinea	0.00853	231
Paraguay	0.02275	616
Peru	0.16775	4,541
Philippines	0.14216	3,848
Poland	0.53736	14,546
Portugal	0.65678	17,779
Qatar	0.04833	1,308
Republic of Korea	2.63137	71,231
Republic of Moldova	0.00284	77
Romania	0.08245	2,232
Russian Federation	1.70591	46,180
Rwanda	0.00100	27
Saint Kitts and Nevis	0.00100	27
Saint Lucia	0.00284	77
Saint Vincent and the Grenadines	0.00100	27
Sao Tome and Principe	0.00100	27
Saudi Arabia	0.78756	21,319
Senegal	0.00711	192
Serbia and Montenegro	0.02843	770
Seychelles	0.00284	77
Sierra Leone	0.00100	27
Slovakia	0.06113	1,655
Slovenia	0.11515	3,117
Somalia	0.00100	27
South Africa	0.58001	15,701
Spain	3.58064	96,929
Sri Lanka	0.02275	616
Sudan	0.00853	231
Suriname	0.00284	77
Swaziland	0.00284	77
Sweden	1.45962	39,512
Switzerland	1.81111	49,027
Syrian Arab Republic	0.11373	3,079
Tajikistan	0.00100	27
Thailand	0.41795	11,314
The former Yugoslav Republic of Macedonia	0.00853	231
Timor-Leste	0.00100	27
Togo	0.00100	27
Tonga	0.00100	27

Member State	UNIDO assessment rate 2004 (percentage)	EURO contribution amount
Trinidad and Tobago	0.02275	616
Tunisia	0.04265	1,155
Turkey	0.62550	16,932
Turkmenistan	0.00426	115
Uganda	0.00711	192
Ukraine	0.07534	2,039
United Arab Emirates	0.28716	7,773
United Kingdom	7.86994	213,041
United Republic of Tanzania	0.00569	154
Uruguay	0.11373	3,079
Uzbekistan	0.01564	423
Vanuatu	0.00100	27
Venezuela	0.29569	8,004
Viet Nam	0.02275	616
Yemen	0.00853	231
Zambia	0.00284	77
Zimbabwe	0.01137	308
Total (171 Member States)	100.00000	2,707,010

Apportionment according to PMO groupings:	Scale%:	
A-group	10.82849	293,128
B-group	78.15186	2,115,579
C-group	7.82719	211,883
D-group	3.19246	86,420
Total	100	2,707,010