

**Memorandum of Understanding between the Republic of Austria (hereinafter "Austria") on the one hand, and the United Nations represented by the United Nations Office at Vienna, the International Atomic Energy Agency, the United Nations Industrial Development Organization and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (hereinafter the "VBOs") on the other.**

WHEREAS the VBOs requested from Austria conference facilities additional to those of the Vienna International Centre (VIC) on a permanent basis,

WHEREAS Austria has expressed, in a letter by the Federal Minister for Foreign Affairs, dated 9 March 2003, her readiness to construct additional conference facilities to be incorporated into the Vienna International Centre (hereinafter the "Project"),

WHEREAS these facilities will serve as temporary space for meetings that cannot be held in building C of the VIC during asbestos removal and will complement the existing conference facilities of the VIC thereafter, thereby enabling the VBOs to hold their General Conferences in the VIC,

WHEREAS the offer by Austria was welcomed by the VBOs, by a letter of their Executive Heads dated 25 July 2003,

NOW THEREFORE Austria and the VBOs have the following mutual understanding, without prejudice to the respective headquarters agreements:

1 The Austrian Parliament has passed a law in March/April 2004 approving a maximum amount of € 50 million (excluding VAT) for the Project.

2 The VBOs note that Austria will spend a maximum amount of € 50 million (excluding VAT) on the Project.

3 The VBOs will contribute, before the completion of the facilities, but not earlier than 1 January 2008, a lump sum of € 2.5 million towards the Project. The procedures laid down in points 1 to 3 of the letter of 28 April 2004 from Mr. Fornocaldo, Chairman of the Consultative Committee on Common Services, to the Permanent Representative of Austria to the VBOs, apply to this contribution.

4 Austria, in view of its commitment to provide alternative space for meetings during asbestos removal, notes that the VBOs will not commit more than the amount of € 2.5 million to the Project.

5 In line with present arrangements in the VIC, operation and maintenance costs of the new facilities are the responsibility of the VBOs at their own expense. Major repairs and replacements regarding the new conference facilities will be dealt with in accordance with the provisions of the Agreement regarding the Establishment and Administration of a Common Fund for Financing Major Repairs and Replacements at their Headquarters Seats at the Vienna International Centre (MRRF Agreement).

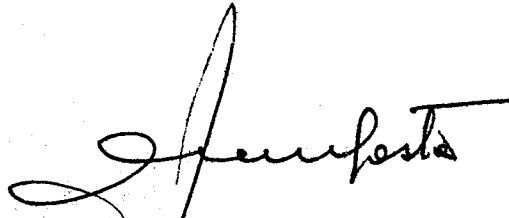
6 The new facilities are to become an integral part of the headquarters area common to the VBOs. The map attached to the headquarters agreements of the VBOs will be modified accordingly to show the new boundaries of the VIC and to include the area of the new conference facilities as well as the area of the car park adjacent to Building J of the VIC.

7 This Memorandum will become effective upon formal notification by the VBOs that their internal requirements have been fulfilled. The VBOs will make best efforts to provide these notifications on or before 31 December 2004.

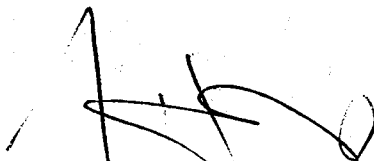
Done at Vienna, on 18 October 2004



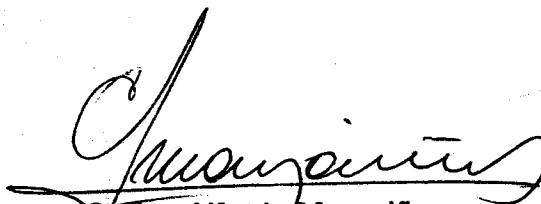
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