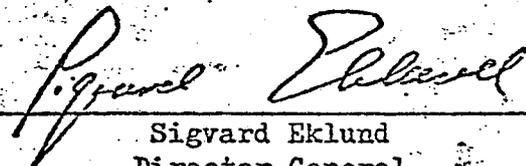


Memorandum of Understanding
concerning the allocation of Common Services
at Donaupark Centre in Vienna

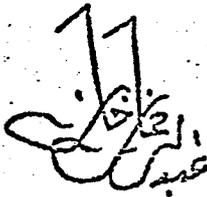
The following Memorandum of Understanding on Common Services
at Donaupark which was signed ad interim on our behalf by
Messrs. Clayton C. Timbrell, John A. Hall and Anders Y. Risholm
is hereby confirmed in witness whereof we have today set hereunder
our signatures.



Kurt Waldheim
Secretary-General
United Nations



Sigvard Eklund
Director General
International Atomic Energy Agency



Abd-El Rahman Khane
Executive Director
United Nations Industrial Development Organization

31 March 1977

MEMORANDUM OF UNDERSTANDING

The purpose of this memorandum is to record the plans of the

United Nations,^{1/}

the United Nations Industrial Development Organization and

the International Atomic Energy Agency

concerning the allocation of common services and related matters at Donaupark Centre in Vienna.

For the purposes of this Memorandum of Understanding and its implementation, UNIDO, on account of its geographical location, is regarded as a separate partner. This provision has, however, no bearing on the current constitutional status of UNIDO as a subsidiary organ of the General Assembly and, therefore, as an integral part of the United Nations Secretariat.

On the basis of detailed consultations, the following plan of action to implement common service arrangements, as well as related organizational and operational matters, has been agreed.

1. Management

The operation and maintenance functions of Donaupark premises have to be governed by the basic principle that the United Nations, UNIDO and IAEA bear joint responsibility and the common services will be implemented in a spirit of co-operation.

A tri-partite committee representing the United Nations, UNIDO and IAEA is to be established to provide policy direction and over-all management of the planning and implementation of common service arrangements at Donaupark.

^{1/} In accordance with General Assembly resolution 31/194 of 22 December 1976 which inter alia provides for the assumption of responsibility for the occupancy of Tower A-2 by the United Nations.

1. Management (continued)

- (a) The committee members will be empowered to take decisions on behalf of their Organizations.
- (b) The purpose of the committee is to deal with common service matters in the period until the Donaupark project is occupied.
- (c) Each Organization will designate one member of the committee.^{2/}
- (d) In the case of the member representing the United Nations, it is agreed that consultations may often have to be by correspondence or telephone.
- (e) Whenever a joint service is to be contracted out, conditions of the contracts will be established, and contractors selected by the Organization to whom the service has been allocated. A final decision on these matters will be taken, however, by mutual agreement between the participating Organizations.

2. Personnel Matters

It is recognized that the establishment of common services will affect the staff of UNIDO and IAEA now employed in the corresponding areas where separate services exist. There will also be redundancy, particularly where outside contractors are employed. Therefore, apart from any action which each Organization may wish to take on its own to meet this situation, it will be necessary to develop agreed principles for joint application in the selection of staff to be retained, the cases of redeployment, termination, the designation of a Head of Service, the establishment of grade and seniority levels, as well as the contractual status of the staff concerned and the like.

In this context, it is understood that each Organization to which one of the common services is allocated will, in that area, endeavour to employ or to take into secondment to the extent possible, the staff of the other Organization engaged in the same activity.

^{2/} The members of the committee currently are: Mr. Clayton Tibbrell (UN), Mr. Anders Risholm (UNIDO) and Mr. John Hall (IAEA).

3. Cost-sharing and other financial matters^{3/}

(A) Initial Investments

This subject is elaborated in IAEA Document GOV/1712 dated 9 April 1976 as well as in United Nations Documents A/10348 dated 17 November 1975; A/C.5/1725 dated 26 November 1975; A/CN.1/R.832 dated 26 November 1975 and A/C.5/31/34 dated 11 November 1976. Whereas so far no binding agreements on the sharing of initial investment costs at Donaupark exist, it has been understood that such costs will be borne in approximately equal shares by the United Nations, UNIDO and the IAEA. This cost-sharing formula is to apply to only those areas which are defined in the above-mentioned documents as common service areas. Details of an agreement will be worked out in the immediate future by the task force mentioned under paragraph 3 (B) (a).

(B) Operational Costs

It is essential that steps be taken immediately to develop policies and procedures for the sharing of the operational, maintenance and common service costs (related to the various common services) which will be borne by the United Nations, UNIDO, IAEA and other possible tenants.

- (a) A task force on the financial matters representing UNIDO, IAEA (and the United Nations, if necessary) should be established to study the problems and propose procedures.
- (b) In view of the fact that cost-sharing will present different questions in different common service areas, it is anticipated that the task force will have to consult various other officers.
- (c) Agreements on personnel and financial matters, as referred to in paragraphs 2 and 3, are pre-conditions for the operation of the joint services. Failure to reach agreement as foreseen in these two paragraphs will lead to arbitration in accordance with paragraph 15.

^{3/} It is understood that financial commitments on behalf of United Nations and UNIDO contained in this agreement are subject to authorization of funds by the United Nations General Assembly.

3. Cost-sharing and other financial matters (continued)

(C) Other financial matters

It is recognized there are financial matters other than cost-sharing that will have to be studied by the task force. It is further recognized that all such matters cannot now be foreseen. Some examples of these financial matters are disposition of profits and/or losses, the provision of working capital, application of financial rules and regulations, arrangements for billing procedures and provision for internal and external audit. On such matters procedures and agreements will have to be made and, if necessary, proposals submitted to the members of the committee referred to in 1 (c).

4. Commissary and Catering Services

- (a) Responsibility for managing and operating the Commissary is assigned to IAEA. It is understood that IAEA intends to operate the Commissary as an in-house operation for which the IAEA will be the Manager on behalf of the Organizations located in Donaupark, subject to the provisions below.
- (b) Responsibility for managing and operating the Catering Services is assigned to UNIDO. It is understood that UNIDO intends to operate the catering facilities through a contractual arrangement for which UNIDO will be the contracting agent on behalf of the Organizations located in Donaupark, subject to the provisions below.
- (c) Advisory Committees will be established which will give guidance to the IAEA on the operation of the Commissary and to UNIDO on the operation of the Catering Services.
- (d) Membership on the Committees will include the administrations and staff of UNIDO and IAEA. At such times as other United Nations units are housed at Donaupark, provision will be made to provide adequate representation for them.
- (e) The Commissary Advisory Committee and the Catering Advisory Committee will give advice on such matters as hours of service; pricing policies; range of products to be handled; specifications for catering contract; catering contractors to be invited to bid; qualifications for Commissary Manager; utilization of profits, if any, etc.

4. Commissary and Catering Services (continued)

- (f) The Organizations responsible for the management of the Commissary and Catering Services will make every effort to accommodate the Committee's advice. It is realized, however, that the Committees cannot interfere in the management and operation of the services.
- (g) It is incumbent upon the managing Organization to run the operation in such a way that, in the long term, no losses occur.
- (h) Immediate steps are to be taken by the task force on financial matters to determine how the Catering Services and the Commissary should be financed.

5. Buildings Management

- (a) Responsibility for the operation and management of the physical plant is assigned to UNIDO. It is understood that to the extent that it is technically and economically feasible, all appropriate buildings management and maintenance services will be contracted out. UNIDO will be the contracting agent on behalf of the Organizations located in Donaupark including the joint areas. However, subject to UNIDO's concurrence and for the sake of practicability, like simplifying payments, tax refunds, etc., contracts relating directly to one of the Organizations might also be drawn up directly in the name of the other Organization.
- (b) A Buildings Management Advisory Committee composed of representatives of the participating Organizations will give guidance to UNIDO on major matters of buildings management problems and priorities, work standards and resulting costs, etc.
- (c) Plans will be developed for staff to handle emergency situations which might be outside the requirements of the contracts and also simple "handyman" duties.

6. Security Services

- (a) The Security Service within the international boundaries shall be the sole responsibility of the International Organizations, whereas security outside the international boundaries is the responsibility of the Austrian authorities. The United Nations shall manage and operate the Security Service. It is realized that small cabins for police posts attached to the guards' checking lodges at check points could bring uniformed police close to the ex-territorial boundaries. However, there will be no violating of these boundaries even if police assistance to the guards is required, since the checking area itself is on public ground. Assurance has been given that the Austrian police will make proper arrangements for adequate outside protection of the permanent headquarters in Donaupark. Austrian police may not enter the ex-territorial areas unless it is requested by a person authorized to do so in accordance with the Headquarters Agreement.
- (b) The Executive Heads of the International Organizations at Donaupark may exercise the relevant provisions of the Headquarters Agreement concerning the protection of the Headquarters site. It is understood that the Executive Heads would wish to consult with each other, circumstances permitting, before exercising this right.
- (c) The Security Guards should be recruited as much as possible on a local basis irrespective of nationality. The Chief shall be responsible for the unit and will be selected by mutual agreement between the United Nations, UNIDO and the IAEA. The Chief should have a good command of English and German.
- (d) A Security Centre will be established to direct the services. A direct communication by telephone and radio between the Security Centre and the police station outside the boundaries of ex-territoriality should guarantee the immediate assistance of the police force if required in an emergency. A radio system shall enable the Security Centre to communicate immediately with any guard on duty and vice-versa.
- (e) The standard and level of Security Services to be provided will be determined through consultations between the participating Organizations.

7. Procurement and Contracting Services

- (a) For the immediate future, both UNIDO and IAEA will maintain separate procurement operations for the purchase of headquarters' equipment and expendable items.
- (b) Mutual information should be exchanged on procurement of goods and contracting for services with as much co-ordination as possible.
- (c) A joint study should be undertaken to consider the re-establishment of a common procurement service for headquarters' equipment and supplies on the most economical basis.

8. Conference Services

- (a) As the United Nations and the IAEA have different operational requirements as regards conference services as defined in Annex I, it was agreed that these specialized functions should continue to be operated separately with the qualifications mentioned below.
- (b) It is understood, of course, that the close co-operation of UNIDO and IAEA in this field will continue as in the past.
- (c) With regard to the conference premises, the Organizations in Donaupark will mutually grant priority to each other in making available conference space before responding to any outside request.
- (d) In addition to the pooling of interpretation services, the possibility of pooling additional activities and equipment will be actively pursued.
- (e) The methods of sharing these costs and other pooling arrangements will be established by a task force as mentioned under paragraph 3.

9. Printing and Reproduction

- (a) The IAEA presently provides a variety of printing services to UNIDO on a cost basis. UNIDO presently reproduces its own documentation and also purchases outside printing services in light of economic and time factors. In view of the expected considerable expansion of the combined printing and reproduction requirements of the United Nations, UNIDO and IAEA in Donaupark, it would be desirable to merge the existing facilities of the IAEA with the facilities of UNIDO into one printing and reproduction plant which would be available to all Organizations on equitable terms and conditions.

9. Printing and Reproduction (continued)

- (b) The IAEA will manage and operate the plant subject to the following provisions.
- (c) The head of the plant would be selected by mutual agreement by the United Nations, UNIDO and IAEA. The plant would be operated as far as required and economically feasible on a two or three shift basis to ensure full utilization of existing production capacity to accommodate all work requirements internally.
- (d) A joint group for publications and documents production planning, composed of one representative of each participating Organization will be established to review the requirements of all Organizations in Donaupark. This working group will give advice on setting work priorities to assure that the needs of all participating Organizations are met on time. Guidelines for such priorities will be established by the group before the merger of the facilities takes place.
- (e) Any jobs which could not be produced in the plant either for reasons of unavailable capacity or because of the lack of some technical requirements would be contracted out by each Organization.
- (f) For financial and budgetary purposes, the Printing and Reproduction Services will be organized in the IAEA as a separate financial entity with the aim of being on a self-financing basis.

The services will be charged to the users on a costs basis. The task force on financial matters (reference para. 3, Cost-sharing) would establish which costs are to be charged as well as the formulae for cost-sharing of the services for each Organization using the plant.

10. Computer Services

- (a) Currently the IAEA provides computer services to UNIDO. It is agreed that UNIDO will continue to use the IAEA managed and operated computer facilities.
- (b) UNIDO will continue to be represented for the purpose of information on the IAEA Computer Steering Committee which deals with policy matters related to the IAEA. A permanent co-ordination group will be established, composed of the Chiefs of UNIDO and the IAEA Computer Services and of one Finance Officer from each Organization. The co-ordination group will decide on relevant matters regarding the costs of services rendered to UNIDO. It will also provide guidelines for establishing priorities of work between UNIDO and IAEA and at the request of either party, will resolve differences as to their application and related problems.

11. Receiving, Storage and Inventory Control

The receiving area of Donaupark complex is designed for common use and is not readily subject to division. Consequently, this is an activity where a common service is desirable. However, as an agreement has not as yet been reached on this point, responsible officials of UNIDO and IAEA should consult to decide which Organization will provide this service and the procedures for so doing.

12. Library Service

The Library Service will be under the general direction of the IAEA. It will consist of: (i) a common acquisition and technical processing unit; (ii) a common education and training unit for library personnel from Member States of both Organizations; and (iii) three separate Reader Service Units, one for IAEA, one for UNIDO and a third common unit for United Nations documents, films and other reference material of joint interest.

13. Medical Service and Language Training

It is agreed that the responsibility for the Medical Service would rest with the IAEA whereas the responsibility for Language Training would rest with UNIDO. The extension of an appointment or the selection of a new Chief of the Medical Services and the Chief of Language Training will be done by mutual agreement between the United Nations, UNIDO and the IAEA.

14. Other Services

It is agreed that the potential for further common services may exist in such areas as mail, pouch, visas, property insurance, etc., and that they should be discussed between the Organizations. Such discussions will be referred to a task force(s) which should aim at giving a final recommendation within a period of four months from the date of this agreement.

15. Settlement of Disputes

Should major disagreement arise, which cannot be resolved through normal working arrangements, then the matter may be referred to the Executive Heads of the Organizations.

16. Termination

Any or all parts of this agreement may be cancelled by either party by giving at least 12 months notice or such notice as might be equivalent to the unexpired portion of a contract for a contracted service. Additionally, it is recognized that a significant capital investment in a common services activity by any party might require special arrangements regarding termination which would be entered into at the time the investment is made.

17. Review

This agreement shall be subject to review by the parties no later than three years following the implementation of the common service arrangements.

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ANNEX I

Definition of Conference Services.

- 1.. Documents Control
2. Editorial Control
3. Translation: English, French, etc.
4. Typing pools
5. Documentation and terminology service
6. Meetings planning and servicing
7. Interpretation