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SUPPLEMENTARY ESTIMATES FOR THE BIENNIUM 2004-2005 FOR SECURITY ENHANCEMENTS

Note by the Secretariat

Summarizes developments during the period 2004-2005 in respect of security enhancements needed to ensure that the Vienna International Centre responds effectively to headquarters minimum operating security standards (H-MOSS). Presents supplementary estimates for financing UNIDO's share of the security enhancements as recommended by the Industrial Development Board, as well as a draft decision for consideration by the Conference based on recommendations of the Board.

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Introduction

1. The worldwide security situation and the threat of terrorist attacks on United Nations operations and facilities have generated debate throughout the system to identify means to comply with the enhanced headquarters minimum operating security standards (H-MOSS). At the Vienna International Centre (VIC), the VIC-based organizations (VBOs) have had continuous discussions on these measures, and have brought related issues to the attention of their governing bodies. During the biennium 2004-2005 the UNIDO Programme and Budget Committee and Industrial

Development Board considered a number of background documents and adopted recommendations for consideration by the General Conference, as shown in the table.

2. The present document consolidates the financial considerations and presents the supplementary estimates according to the requirements specified in the financial regulations (IDB.30/12/Add.2, paras. 15-16). It also contains a draft decision for consideration by the General Conference based on the Board recommendations.

Consideration of security enhancements, 2004-2005, by UNIDO governing bodies (through June 2005)

Reference	Subject	Recommendation to GC.11
IDB.29/7-PBC.20/7	Outlined H-MOSS measures required and financial implications for UNIDO	
IDB.29/19	Funding options for security enhancements	
Decision IDB.29/Dec.4		Consideration and approval of financing of UNIDO's share of phase I through supplementary appropriations for 2004-2005
IDB.30/11-PBC.21/11	Updated information on measures under phase I and proposals for phase II	
IDB.30/12-PBC.21/12	Financial implications of phases I and II, with additional requirements, including information on special account	
IDB.30/12/Add.1-PBC.21/12/Add.1	Addendum, with updating for unified approach for window replacement	
IDB.30/12/Add.2	Updated and detailed information on possible funding options for phase II. Describes regulatory framework for supplementary estimates (paras. 15 and 16)	
PBC.21/CRP.4	Implementation of phase I	
Decision IDB.30/Dec.5		Adoption of supplementary estimates for 2004-2005, as presented in IDB.30/12 for phase I, phase II and window replacement (€2,585,160). Remaining amount (€215,670) for window replacement financed from savings in 2004-2005.

I. FINANCIAL REQUIREMENTS

Phase I

3. 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 (equivalent to €7.6 million), with a UNIDO share of \$1.38 million (€1.22 million).

4. As the budgetary requirements represent a euro-based calculation, UNIDO's share, at an exchange rate of €0.901=US\$1 (the official United Nations rate of exchange at the time of submitting the requirements to the United Nations General Assembly), would represent €1.22 million of the €7.6 million total.

Phase II

5. Subsequently, the United Nations General Assembly approved phase II of the security enhancements (resolution A/RES/59/276 adopted 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.

6. An additional project has started that was not listed in the General Assembly resolutions, but is nonetheless part of the H-MOSS enhancements. As discussed in the progress report (IDB.30/11, para. 8), this relates to window replacement in the VIC.

7. The total financial requirements for the window replacement amount to €4 million. Of this amount, a total of €1.2 million is being financed through the buildings management programme, since this portion of the work represents maintenance-type costs. The balance of €2.8 million represents security expenditure as agreed by all VBOs. UNIDO's share of this cost item equals €459,060. In accordance with Board decision IDB.30/Dec.5, €243,390 of this amount would be financed from supplementary estimates for the biennium 2004-2005, and the remaining €215,670 from savings in the biennium 2004-2005.

8. The total cost of phase II, including window replacement, for UNIDO amounts to €1.36 million, to be financed from supplementary estimates for the biennium 2004-2005.

Special account

9. Background information concerning a special account to hold the amounts received for the supplementary estimates is contained in document IDB.30/12, paragraphs 18 and 19. In its decision IDB.30/Dec.5, the Board took note of the establishment of the special account.

II. SUPPLEMENTARY ESTIMATES FOR THE BIENNIUM 2004-2005

10. In compliance with financial regulation 3.9, the supplementary estimates recommended by the Board are set out in paragraphs 11 to 13 below in a form consistent with the approved budgets.

Major Programme H: Indirect Costs

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

General description

11. 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 the United Nations Office at Vienna (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 H-MOSS, the additional budgetary requirements fall under the expenditure heading "Security and safety services (UNOV)". The total financial requirements of both phases to be financed from supplementary estimates amount to €2.6 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
Window replacement	243 390
Total gross expenditure	2 585 160
Total income	0
Total net resources	2 585 160

Need and objective

12. The need for and the objective of the security enhancements were detailed in documents IDB.29/7, IDB.29/19 and IDB.30/11, and can be summarized as making the VIC compliant with H-MOSS requirements.

Activities and outputs

13. The activities and outputs of the security enhancements are detailed in documents IDB.29/7, IDB.29/19 and IDB.30/11.

Performance indicators

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

III. APPROPRIATION AND SCALE OF ASSESSMENT

15. 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.

IV. ACTION REQUIRED OF THE CONFERENCE

16. The Conference may wish to consider the adoption of the following decision:

“The General Conference:

“(a) Takes note of the information provided in document GC.11/10 concerning supplementary estimates for the biennium 2004-2005 for the purpose of funding the UNIDO share of security enhancements at the Vienna International Centre;

“(b) Also takes note of the recommendations of the Industrial Development Board for financing the UNIDO share of the security enhancements, contained in decisions IDB.29/Dec.4 and IDB.30/Dec.5;

“(c) Approves the supplementary estimates for 2004-2005 as presented in document GC.11/10 to be financed from assessed contributions;

“(d) Takes note of the establishment of a special account by the Director-General as described in document GC.11/10 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— scale for 2004 (percentage)	Euro contribution amount
Afghanistan	0.00100	26
Albania	0.00426	110
Algeria	0.09951	2 572
Angola	0.00284	73
Argentina	1.37752	35 611
Armenia	0.00284	73
Austria	1.34625	34 802
Azerbaijan	0.00569	147
Bahamas	0.01706	441
Bahrain	0.02559	662
Bangladesh	0.01000	259
Barbados	0.01279	331
Belarus	0.02701	698
Belgium	1.60498	41 491
Belize	0.00100	26
Benin	0.00284	73
Bhutan	0.00100	26
Bolivia	0.01137	294
Bosnia and Herzegovina	0.00569	147
Botswana	0.01422	368
Brazil	3.39761	87 833
Bulgaria	0.01848	478
Burkina Faso	0.00284	73
Burundi	0.00100	26
Cambodia	0.00284	73
Cameroon	0.01279	331
Cape Verde	0.00100	26
Central African Republic	0.00100	26
Chad	0.00100	26
Chile	0.30138	7 791
China	2.17788	56 301
Colombia	0.28574	7 387
Comoros	0.00100	26
Congo	0.00100	26
Costa Rica	0.02843	735
Côte d'Ivoire	0.01279	331
Croatia	0.05544	1 433
Cuba	0.04265	1 103
Cyprus	0.05402	1 397
Czech Republic	0.28858	7 460
Dem. People's Rep. of Korea	0.01279	331
Dem. Republic of the Congo	0.00569	147
Denmark	1.06477	27 526
Djibouti	0.00100	26
Dominica	0.00100	26
Dominican Republic	0.03270	845
Ecuador	0.03554	919

Member State	UNIDO assessment rate— scale for 2004 (percentage)	Euro contribution amount
Egypt	0.11515	2 977
El Salvador	0.02559	662
Equatorial Guinea	0.00100	26
Eritrea	0.00100	26
Ethiopia	0.00569	147
Fiji	0.00569	147
Finland	0.74207	19 184
France	9.19202	237 628
Gabon	0.01990	514
Gambia	0.00100	26
Georgia	0.00711	184
Germany	13.88754	359 015
Ghana	0.00711	184
Greece	0.76624	19 809
Grenada	0.00100	26
Guatemala	0.03838	992
Guinea	0.00426	110
Guinea-Bissau	0.00100	26
Guyana	0.00100	26
Haiti	0.00284	73
Honduras	0.00711	184
Hungary	0.17059	4 410
India	0.48476	12 532
Indonesia	0.28432	7 350
Iran (Islamic Republic of)	0.38667	9 996
Iraq	0.19334	4 998
Ireland	0.41795	10 805
Israel	0.58996	15 251
Italy	7.20001	186 131
Jamaica	0.00569	147
Japan	22.00000	568 735
Jordan	0.01137	294
Kazakhstan	0.03980	1 029
Kenya	0.01137	294
Kuwait	0.20897	5 402
Kyrgyzstan	0.00100	26
Lao People's Dem. Rep.	0.00100	26
Lebanon	0.01706	441
Lesotho	0.00100	26
Liberia	0.00100	26
Libyan Arab Jamahiriya	0.09525	2 462
Lithuania	0.02417	625
Luxembourg	0.11373	2 940
Madagascar	0.00426	110
Malawi	0.00284	73
Malaysia	0.33407	8 636
Maldives	0.00100	26
Mali	0.00284	73
Malta	0.02132	551
Mauritania	0.00100	26
Mauritius	0.01564	404
Mexico	1.54385	39 911
Monaco	0.00569	147
Mongolia	0.00100	26

Member State	UNIDO assessment rate— scale for 2004 (percentage)	Euro contribution amount
Morocco	0.06255	1 617
Mozambique	0.00100	26
Myanmar	0.01000	259
Namibia	0.00995	257
Nepal	0.00569	147
Netherlands	2.47073	63 872
New Zealand	0.34260	8 857
Nicaragua	0.00100	26
Niger	0.00100	26
Nigeria	0.09667	2 499
Norway	0.91835	23 741
Oman	0.08672	2 242
Pakistan	0.08672	2 242
Panama	0.02559	662
Papua New Guinea	0.00853	221
Paraguay	0.02275	588
Peru	0.16775	4 337
Philippines	0.14216	3 675
Poland	0.53736	13 892
Portugal	0.65678	16 979
Qatar	0.04833	1 249
Republic of Korea	2.63137	68 025
Republic of Moldova	0.00284	73
Romania	0.08245	2 131
Russian Federation	1.70591	44 100
Rwanda	0.00100	26
Saint Kitts and Nevis	0.00100	26
Saint Lucia	0.00284	73
Saint Vincent and the Grenadines	0.00100	26
Sao Tome and Principe	0.00100	26
Saudi Arabia	0.78756	20 360
Senegal	0.00711	184
Serbia and Montenegro	0.02843	735
Seychelles	0.00284	73
Sierra Leone	0.00100	26
Slovakia	0.06113	1 580
Slovenia	0.11515	2 977
Somalia	0.00100	26
South Africa	0.58001	14 994
Spain	3.58064	92 565
Sri Lanka	0.02275	588
Sudan	0.00853	221
Suriname	0.00284	73
Swaziland	0.00284	73
Sweden	1.45962	37 734
Switzerland	1.81111	46 820
Syrian Arab Republic	0.11373	2 940
Tajikistan	0.00100	26
Thailand	0.41795	10 805
The former Yugoslav Republic of Macedonia	0.00853	221
Timor-Leste	0.00100	26
Togo	0.00100	26
Tonga	0.00100	26
Trinidad and Tobago	0.02275	588

Member State	UNIDO assessment rate— scale for 2004 (percentage)	Euro contribution amount
Tunisia	0.04265	1 103
Turkey	0.62550	16 170
Turkmenistan	0.00426	110
Uganda	0.00711	184
Ukraine	0.07534	1 948
United Arab Emirates	0.28716	7 424
United Kingdom	7.86994	203 450
United Republic of Tanzania	0.00569	147
Uruguay	0.11373	2 940
Uzbekistan	0.01564	404
Vanuatu	0.00100	26
Venezuela (Bolivarian Republic of)	0.29569	7 644
Viet Nam	0.02275	588
Yemen	0.00853	221
Zambia	0.00284	73
Zimbabwe	0.01137	294
Total (171 Member States)	100.00000	2 585 160

Apportionment according to List of States	Scale (percentage)	Euro contribution amount
A	10.82849	279 934
B	78.15186	2 020 351
C	7.82719	202 345
D	3.19246	82 530
T o t a l	100	2 585 160