

Board of Governors General Conference

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The Agency's Budget for 2004 — Supplementary Appropriation

Summary

- The document requests the Board of Governors to consider a supplementary appropriation for the Agency's Regular Budget for 2004 to cover the cost of necessary security enhancements.

Recommended Action

The Board is asked to:

- Consider the request for a supplementary appropriation to the Regular Budget for 2004 of \$4 825 000 to cover: (a) the Agency's share of the immediate budgetary requirements for security enhancements at the VIC, to achieve compliance with United Nations system-wide *Headquarters — Minimum Operating Security Standards (H-MOSS)*; and (b) requirements for security enhancements at the Agency's offices and laboratories outside of Vienna;
- Recommend to the General Conference at its forthcoming 48th regular session the approval of the supplementary appropriation to the Regular Budget for 2004 as set out in the draft resolution which is annexed hereto;
- Suspend, as provided for in Financial Regulation 13.02, in respect of the regular session of the General Conference for 2004, the application of Financial Regulation 3.05 (e), which stipulates that the Programme and Budget documents and draft resolutions adopted and recommended by the Board of Governors shall be transmitted to all Member States at least six weeks before the opening of the regular session of the General Conference at which the documents in question and draft resolutions are to be considered, in light of the timing of the adoption and recommendation by the Board of the request for a supplementary appropriation for 2004; and
- Take note of the further ("Phase II") security measures identified in para. 9.

The Agency's Budget for 2004 — Supplementary Appropriation

A. Background

1. In May 2004, the Programme and Budget Committee (PBC) considered document GOV/INF/2004/4 concerning the planned security enhancements for the Vienna International Centre (VIC) in the light of the United Nations system-wide establishment of *Headquarters — Minimum Operating Security Standards (H-MOSS)*.

2. The Committee recognized the importance of measures to enhance VIC security, and underlined the need for coordination with other organizations in the VIC, Member States and the Austrian authorities. It also noted the importance of information on the needs and the exact costs to be borne by the Agency, as well as on how the additional financial requirements would be apportioned.

3. Over the past few months, the VIC-based organizations (VBOs) have initiated urgent measures, estimated costs and drafted a phased implementation plan which is currently under review. Conceptual work for the design and implementation of the measures has been carried out by the United Nations Security and Safety Section at the VIC and UNIDO's Buildings Management Service. Developments, to date, include: (a) recruitment of ten additional security staff; (b) installation of a vehicle recognition system; (c) procurement action for crash barriers; (d) cost assessment for anti-blast window film as well as heat-insulated, sun reflective and anti-shatter glazing; (e) assessment of systems for: perimeter fence surveillance/alarm, chemical monitoring, heating, ventilation and air-conditioning access control/protection and alarm, and communications; and (f) initial planning for: reinforcement of perimeter posts, vehicle search installations for screening as well as explosives' detection systems and enhancement of the existing security control centre.¹

¹ In regard to security enhancements outside the VIC perimeter:

- (a) The VBOs have requested that the Austrian authorities close the public roads adjacent to the VIC. To date, those authorities have looked favourably at closing the roads to heavy traffic, leaving them open only to passenger vehicles and small cargo vehicles. While this may reduce the threat of larger devices, it does not reduce the risk to a level acceptable to the VBOs. VBOs maintain their position on road closure and consultations continue.
- (b) Following a request by the VBOs, the City of Vienna has agreed to move the bus terminus located close to the facade of the B-building.
- (c) The Austrian police have increased patrols along the VIC perimeter. Agreements are being finalized on the location of surveillance cameras and the protocol for police response to incidents.

B. Supplementary appropriation

4. United Nations Office in Vienna (UNOV), the office responsible for the security of the VIC, submitted in February 2004 to the United Nations Headquarters a budgetary requirement of \$13.25 million, for H-MOSS compliance at the VIC, for inclusion in the Secretary General's budget proposal to the General Assembly. Subsequently, in May 2004, the General Assembly approved measures totalling \$8.4 million for the VIC and appropriated an amount of \$1.9 million for UNOV's share (vis-à-vis the other VBOs) of this amount. The components not approved at that time were: window replacement (only anti-blast film was approved)², the full complement of additional security staff requested and electronic access control systems. Issues relating to these components and others are to be reviewed by the General Assembly in September 2004.

5. UNOV's share of the funds having been provided, the other three VBOs, namely CTBTO, UNIDO and IAEA, now need to request their respective governing bodies to provide for their respective shares of the necessary budgetary resources.

6. In the case of the Agency, in addition to the proposed security enhancement for the VIC, it is necessary to take into account security arrangements for its offices and laboratories outside of Vienna. A basic review of the requirements for these locations has been carried out to arrive at a plan and a budget. The funds will be utilized to install access control/screening systems, implement other security and safety measures and purchase related supplies, material and equipment. The cost has been estimated at \$500 000.

7. The Secretariat informed Member States at the PBC in May 2004, and at the June 2004 session of the Board, that since the additional costs cannot be accommodated within the Regular Budget appropriations for 2004 approved by the General Conference in September 2003, it would submit to the Board of Governors in September 2004 a request for a supplementary appropriation with a view to obtaining approval by the General Conference later that month.

8. The Secretariat now requests that an amount of \$4 825 000 at the Agency's budget rate of exchange of €0.9229 = \$1.00 for security enhancements be appropriated in 2004. The requested amount is comprised of:

² In relation to the most critical requirement to comply with H-MOSS — the shatter proofing of windows — the technically desired solution involves the replacement of all windows with ones that are heat-insulated and sun reflective and have anti-shatter glazing. However, due to the composition of the VIC buildings, such replacement work would cause the release of asbestos dust from the frames of the majority of the approximately 16 000 windows, covering 28 000 m² of surface. Therefore, the window replacement project can only be safely undertaken in conjunction with the asbestos removal project. Since the asbestos removal project will take several years, a temporary solution in the form of the application of anti-blast film on the surface of the existing windows in the most critical locations is being pursued as a priority item. For the minority of windows not affected by asbestos, replacement is to commence as soon as possible.

8.1. **\$4 325 000** corresponding to the Agency's share of the total amount approved by the General Assembly³. This amount is made up of \$3 604 000 for one-time capital investments and \$721 000 for recurring annual costs.

8.2. **\$500 000** to meet basic requirements for security enhancements for the Agency's offices and laboratories outside of Vienna.

9. Looking ahead, UNOV initiated on behalf of all VBOs a comprehensive review of all security measures and submitted in July 2004 a budget proposal to include additional items and projects under-budgeted or not approved in its earlier February ("Phase I") submission. This budget ("Phase II") will be considered by the General Assembly in September 2004. UNOV has requested United Nations Headquarters to include this "Phase II" funding as part of a comprehensive United Nations-wide security enhancement budget. Any further submissions by the Agency's Secretariat for an additional supplementary appropriation in 2005 will be based on the General Assembly's response, the funding situation in 2005, and refinements to the proposed measures. There will be a second briefing for all Member States of the VBOs focused on this subject.

³ The initial assessment of the cost of the required security enhancement measures was made in euro by UNOV and effectively converted into dollars at the rate of exchange of €0.901 = \$1.00 for submission to the General Assembly. It was on this basis that the figure of \$8.4 million was derived. However, the expenditures will, of course, be essentially in euro so that the assessment on Member States will be made in this currency. Since the Agency's Financial Regulations require that budget estimates be submitted in dollars, the estimates had to be converted back into dollars, using the Agency's budget rate of exchange of €0.9229 = \$1.00.

Annex:

Draft Resolution

Supplementary Budget Appropriation for 2004

The General Conference.

Accepting the recommendation of the Board of Governors as to the necessity of supplementing the Regular Budget appropriation for 2004 to cover the Agency's share of security enhancements at the Vienna International Centre and corresponding requirements for the Agency's offices and laboratories outside of Vienna,

1. Appropriates to the 2004 Regular Budget for Major Programme 7 — Policy and General Management — as a supplement to the total appropriations of \$268 534 000 made by Resolution GC(47)/RES/2, a sum of \$4 825 000 at the rate of exchange of €0.9229 = \$1.00 to cover security enhancements; and
2. Decides that this supplementary appropriation shall be financed by additional contributions from Member States amounting, for an exchange rate of €0.9229 = \$1.00, to \$4 825 000 (€4 453 000), the assessments to be in accordance with the base rates for 2004 as approved by the General Conference in its resolution GC(47)/RES/6.

Attachment

ADJUSTMENT FORMULA IN US DOLLARS

Appropriation Section 7:

Policy and General Management	000 000	+	(4 453 000	/R)
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TOTAL	<u>000 000</u>	+	(<u>4 453 000</u>	<u>/R)</u>

Note: R is the average United Nations euro-to-dollar exchange rate which will be experienced during the implementation period.