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CONSIDERATIONS RELATING TO THE OFFER BY THE GOVERNMENT OF JAMAICA
CONCERNING THE LOCATION OF THE PERMANENT HEADQUARTERS OF THE
AUTHORITY

Report of the Secretary-General

I. INTRODUCTION

1. At the resumed second session of the International Seabed Authority in August 1996, the Council requested the Secretary-General to negotiate with the Government of Jamaica an agreement regarding the headquarters of the Authority, taking into account the draft of such an agreement prepared by the Preparatory Commission for the International Seabed Authority and the International Tribunal for the Law of the Sea.¹ In January and February 1997, in accordance with the Council's directive, negotiations took place between officials of the Authority and officials of the Government of Jamaica. The outcome of those negotiations was a further revised agreement that was submitted to the Council for consideration during the first part of the third session of the Authority, in March 1997.² Unfortunately, it was not possible to resolve all the remaining areas of difficulty with respect to the draft agreement, in particular with respect to article 2, relating to the location of the headquarters of the Authority.

2. At the fourth session of the Authority, in March 1998, the Secretary-General informed the Assembly that he had received a letter containing an offer from the Government of Jamaica regarding the permanent headquarters of the Authority.³ The letter stated that the Government of Jamaica had decided to offer the building located at Block 11, 14-16 Port Royal Street, Kingston, for the permanent use and occupation as the seat and headquarters of the Authority. It was proposed that the building would be provided on a rent-free basis and that the Government would undertake a certain amount of refurbishing to the building, but that the Authority would be responsible for all the costs associated with the maintenance of the building. The Secretary-General informed the Assembly that certain clarifications would be required with respect to the terms and conditions of the offer and that the matter would be referred to the Finance Committee, with a view to seeking its guidance, at the resumed fourth session of the Authority.

3. Regrettably, it was not possible to provide the necessary information to the Finance Committee at the resumed fourth session and the matter was deferred to the fifth session. The Finance Committee, however, specifically requested the Secretary-General to report on the following matters:

(a) The condition of the major equipment in the building, including the elevators, air-conditioning system, standby generator and sanitary facilities;

(b) The estimated maintenance costs of the building;

(c) The projected space requirements of the Authority for the foreseeable future;

(d) The feasibility of other United Nations agencies in Jamaica occupying the building and contributing to the maintenance costs;

(e) A comparison of the costs to the Authority of continuing to occupy the present building and the costs of alternative office space in New Kingston;

(f) The rates applied to Jamaican governmental agencies for use of the Jamaica Conference Centre.

4. Since August 1998, the Secretary-General has held several rounds of discussions with the Government of Jamaica and has also commissioned a team of consultants to evaluate and report upon the condition of the building. The Secretary-General has also briefed the United Nations agencies resident in Jamaica on the outcome of discussions with the Government of Jamaica.

II. ISSUES RAISED BY THE FINANCE COMMITTEE

A. Evaluation of the condition of the building

5. In August 1998, the Secretary-General commissioned a team of consultants to:

(a) Assess the condition of the infrastructure of the building and identify necessary remedial work;

(b) Assess the standard of existing services such as sanitary facilities and fire safety provisions and make recommendations for necessary improvements;

(c) Determine the feasibility of moving the entrance to the building to a location on the side facing the entrance to the Jamaica Conference Centre in order to avoid direct access by the public from the street and to improve security.

6. In their report to the Secretary-General, the consultants identified five areas needing immediate attention. These were: the air conditioning system, the electrical system, the refurbishment of broken and chipped tiles in the common areas of the building, the sanitary facilities, and the proposed new entrance vestibule. The consultants estimated the total costs of refurbishment to an acceptable standard at J\$ 25,600,000 (US\$ 664,589). A copy of the report was also provided promptly to the Government of Jamaica for its evaluation.

B. Estimated maintenance costs

7. In order to provide an assessment of the costs of maintaining the building, the Secretary-General invited three major property consultants in Kingston to survey the building with a view to providing an estimate of the costs of maintaining and managing the building as a whole. The estimated costs of a management contract for the building as a whole, inclusive of the costs of providing insurance, electricity, maintenance, security, water, daily cleaning and management fees ranged from US\$ 642,069 per annum to US\$ 763,382 per annum.

C. Projected space requirements of the Authority

8. The Secretariat currently occupies the entire second floor of the building, additional space having been made available by the Government of Jamaica in October 1998. The Authority undertook refurbishment of this area, at its own expense, between April and July 1999. Based on the projected staffing levels of the Authority, the Secretary-General considers that the current space will adequately meet the needs of the Authority for the foreseeable future. It should be noted that, during meetings, the Secretariat also requires a portion of the first floor of the building for use by conference-servicing staff. In the past, the use of this portion of the building has been part of the arrangements for use of the Jamaica Conference Centre.

D. Occupation by United Nations agencies

9. In the light of the request by the Finance Committee, the Secretary-General considered it appropriate to brief the United Nations agencies resident in Jamaica on his discussions with the Government of Jamaica, informing them of the likely approach to them by the Government regarding the possibility of their relocating to the proposed headquarters building. While several agencies expressed concern about the impact such a move might have on their existing arrangements, all expressed interest in principle in discussing the matter with the Government of Jamaica. It should be noted, however, that the United Nations agencies currently occupy a variety of premises with widely differing arrangements as to rental and maintenance. In addition, many of the agencies are autonomous and may need the consent of their governing bodies before any relocation could be considered.

E. Costs of alternative office accommodation

10. The Secretary-General investigated the possibility of leasing alternative office accommodation both in the downtown area and in New Kingston. Detailed quotations were obtained for five buildings. The rental costs, including maintenance, of these ranged from J\$ 260 per square foot to J\$ 384 per square foot. These quotations include an element for rental, as well as maintenance and servicing. The costs, on a per square foot basis, of maintaining and servicing the present building should therefore be lower than the above quotations, since the contribution for maintenance would be based on actual costs and no rental element would be included.

F. Jamaica Conference Centre

11. As requested by the Finance Committee, the Secretary-General took up the issue of the use of the Jamaica Conference Centre with the Government of Jamaica. The Authority currently pays US\$ 18,831 per week for the use of the Centre. The preliminary response of the Government was that the current rental costs, even though higher than the rates charged to some other users, are justified on the basis that the Authority has priority over all other users in the use of the Centre. Further discussion of this issue is required.

III. RESPONSE BY THE GOVERNMENT OF JAMAICA

12. The above findings were conveyed to the Government of Jamaica and several rounds of discussions were held between the Secretary-General and the Government. The Secretary-General made it clear to the Government that, in the light of the findings and the anticipated future requirements of the Authority, it would be difficult for the Authority to assume responsibility for the entire building as originally proposed, or to act as a landlord or building manager. Accordingly, the Government agreed to grant a long-term lease to the Authority of the second floor of the building. The Government also indicated that space in the building not needed by the Authority could be provided to United Nations agencies on the understanding that the Authority would have priority over all other users for the use of the building. With regard to the issues raised by the Authority's consultants in relation to the condition of the building, the Government of Jamaica has provided a written response to some of the questions raised, which appears in the annex to the present report.

IV. RECOMMENDATIONS OF THE SECRETARY-GENERAL

13. The Secretary-General is of the view that the space currently occupied by the Authority on the second floor of the building will be adequate to meet the needs of the Authority for the foreseeable future. In the circumstances, it would not be appropriate for the Authority to assume responsibility for the entire building. If the Authority were to assume responsibility for the entire building, the maintenance costs would clearly be far in excess of the current maintenance costs. Additional expense would be incurred in providing management facilities. The Authority would also have to find tenants to occupy the remaining areas of the building, negotiate leases with tenants and collect rental and maintenance contributions. This would require additional administrative staff and would considerably impact the budget of the Authority. However, if the Authority were to occupy the existing space on the basis of a long-term lease, as presently proposed by the Government of Jamaica, it is estimated that the costs to the Authority of maintaining and servicing its premises would be less than the amount currently reflected in the administrative budget. The precise amount of the maintenance costs cannot be indicated at this time, until the details of the manner and modalities of cost-sharing can be negotiated with the Government of Jamaica. It is expected that these reduced costs would be reflected in the budget of the Authority for 2001.

14. The Secretary-General is of the view that an acceptable arrangement for the use of the building would be as follows:

(a) The Authority would take a long-term lease of the second floor of the building, with the use of a portion of the first floor during meetings;

(b) The Authority would have first call on additional space in the building, as and when necessary;

(c) Service and maintenance facilities, including building management, would be provided by the Government of Jamaica;

(d) The Authority would contribute pro rata to the maintenance of the building.

15. The precise amount of the Authority's contribution to the maintenance of the building would be the subject of further negotiations between the

Secretary-General and the Government of Jamaica, with the terms and conditions to be approved in due course by the Finance Committee and the Council.

16. With regard to the refurbishment of the building, the response of the Government of Jamaica, contained in the annex to the present document, deals with a number of the concerns of the Authority as identified by the consultants. With respect to the supply of electricity to the building, the Government of Jamaica has indicated to the Secretary-General that it has entered into a memorandum of understanding with the Jamaica Public Service Company, under which certain measures would be taken urgently to improve the reliability of the electricity supply. Further, the Government informed the Secretary-General during recent discussions that it would continue to monitor the status of the standby generator and upgrade it as necessary.

Notes

¹ See ISBA/C/11.

² See ISBA/3/A/L.3-ISBA/3/C/L.3.

³ See ISBA/4/A/9*.

Annex

LETTER DATED 3 AUGUST 1999 FROM THE DEPUTY PRIME MINISTER AND
MINISTER FOR FOREIGN AFFAIRS AND FOREIGN TRADE OF JAMAICA
ADDRESSED TO THE SECRETARY-GENERAL

I refer to the offer made on behalf of the Government of Jamaica regarding the proposed site for the headquarters of the International Seabed Authority at Block 11, 14-16 Port Royal Street, Kingston.

This serves to confirm the understanding reached in your recent discussions with The Honourable Anthony Hylton, Minister of State, during which the terms of offer were clarified. As agreed in those discussions, the Government will undertake to do the following:

- (a) The repair of:
 - the chiller and pumps for the air-conditioning system
 - the water pumps
 - the windows
- (b) The replacement of the chipped and broken tiles
- (c) The upgrading of:
 - toilet facilities
 - security post
- (d) The provision of:
 - a new entrance
 - one (1) extra parking space in the Jamaica Conference Centre parking lot
- (e) The relocation of the Jamaica Public Service pole to the exterior of the complex.

It is expected that these repairs will commence as soon as formal acceptance of the proposed site has been made by the Assembly of the Authority.

In accordance with the offer made by the Government to the International Seabed Authority, the maintenance of the space occupied by the Authority will be the responsibility of the Authority.

The Authority will also be responsible for a percentage of the maintenance costs for the areas utilized in common with the other occupants of the Block 11 building.

(Signed)

Seymour MULLINGS
Deputy Prime Minister and Minister
for Foreign Affairs and Foreign Trade
