

ECONOMIC
AND
SOCIAL COUNCILLIMITED
E/CN.12/AG.39/1
28 May 1957
ENGLISH

ORIGINAL: SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA
Ad hoc Committee on a building for ECLA
La Paz, Bolivia
28 May 1957

REPORT TO THE SECRETARY-GENERAL ON PROPOSALS
FOR FINANCING A BUILDING FOR ECLA

The Committee composed of representatives of the Governments of Argentina, Brazil, Chile, Ecuador, Mexico, Uruguay and Venezuela, established by Resolution 138 (VII) of the Seventh Session of the Economic Commission for Latin America, for the purpose of studying the offer made by the Chilean Government of a plot of land in the Parque de Vitacura, near Santiago, met in La Paz on the 28th of May, 1957, at 6.30 p.m.

The Committee's terms of reference directed it to prepare suggestions on financial and legal measures that might facilitate the construction of a building and facilities for ECLA's headquarters in Santiago. Those suggestions would be transmitted to the Secretary-General of the United Nations, through the Executive Secretary of ECLA.

The Committee heard from the Executive Secretary a statement to the effect that the area offered by the Chilean Government in the Parque de Vitacura was satisfactory, as regards both size and location, for the construction of facilities
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that would enable ECLA to operate more efficiently than is possible at present, in rented premises.

The Committee accordingly expressed the view that the proposal of the Chilean Government presented a number of advantages and should be given earnest consideration by the Secretary-General of the United Nations, with a view to devising financial and legal schemes that would render possible the prompt construction of ECLA's headquarters, without placing undue financial burdens on the Governments, and taking into account the right of the Economic and Social Council to decide on the location and operations of the Regional Commissions.

With respect to the schemes of financing, the Committee stated its desire to submit to the Secretary-General of the United Nations, through the Executive Secretary of ECLA, the following suggestions:

(a) On the assumption that construction costs, at current prices, could be estimated at a sum between 800,000 and 1,000,000 dollars, the Governments members of ECLA would extend to the United Nations an interest free loan covering 75 percent of the estimated cost; it being further assumed that the balance would be borne by the United Nations out of current funds. The governments should make their contribution in two equal annual instalments.

(b) If construction costs were to increase through price variations, the additional cost would be borne by the United Nations; if such an increase in construction costs were due

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to additional facilities requested by the specialized agencies, this should be charged to the budget of the agencies concerned;

(c) The loan advanced by the contributing Governments members of ECLA should be amortized over a period of years, by deducting from their yearly contribution to the budget of the United Nations an amount distributed pro rata among those countries and equivalent to the rental costs of comparable premises in Santiago;

(d) The specialized agencies could be given the option either of financing the construction of facilities reserved for their regional offices, or of renting space, if available, from ECLA's new headquarters; in the latter case, the lease payments should be used, on a pro rata basis, for amortization of the loan advanced by member Governments in the form outlined in paragraph (c).

The Committee, in recommending the study of practical measures for acceptance of the Chilean offer, pointed out that this should not be construed as prejudicing the freedom of action of the Economic and Social Council in deciding on the location and terms of operation of the Regional Commissions; it being understood that were the Economic and Social Council to find it necessary to alter its policy in relation to the Regional Commissions, appropriate negotiations will be conducted to determine the ultimate disposal of the property.

The Committee recommended that the Secretary-General of
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the United Nations, after studying in more detail the financial, legal and material aspects of the problem, should consult with the Governments members of ECLA with a view to ascertaining their reactions and suggestions, before submitting his report to the General Assembly.

A copy of resolution 138 (VII) is herewith attached.