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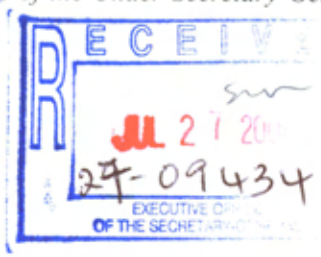

26 July 2007

Dear Mr. Nambiar,

Ms. Bárcena has requested me to forward the attached copy of a letter dated 20 July 2007 from the Controller to Mr. Rajat Saha, Chairman, ACABQ on the UNAMI integrated headquarters compound project in Baghdad, for your records.

Simona Petrova

Mr. Vijay Nambiar
Chef de Cabinet

Sume to VN

United Nations Nations Unies

Office of the Under-Secretary-General for Management

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EXECUTIVE OFFICE
OF THE SECRETARY-GENERAL

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26 July 2007

Dear Ms. Migiro,

Ms. Bárcena has requested me to forward the attached copy of a letter dated 20 July 2007 from the Controller to Mr. Rajat Saha, Chairman, ACABQ on the UNAMI integrated headquarters compound project in Baghdad, for your records.

Simona Petrova

The Deputy Secretary-General

United Nations Nations Unies

HEADQUARTERS • SIEGE NEW YORK, NY 10017

cc TH, PG, RR
OPPBA
ACABQ.
Iraq

REFERENCE:

20 July 2007

Dear Mr. Chairman,

As indicated in the report of the Secretary-General to the Security Council (S/2007/330) and his letter addressed to the President of the Security Council (S/2007/413), the security situation in Iraq remains complex and unpredictable and poses a major challenge for the successful work of the United Nations in Iraq. In the meantime, the current UNAMI facilities in the international zone fall short of adequate long-term requirements to ensure secure working and accommodation conditions for United Nations staff.

At present, the United Nations in Iraq heavily depends on the Multinational Forces in Iraq (MNF-I) for security and support. However, the process of devolution of responsibility for security from the MNF-I to the Iraqi Security Forces (ISF) has been accelerating.

In light of the above, it is intended to start the immediate planning for the construction of a United Nations integrated headquarters compound in Baghdad. The proposal has been welcomed and supported by the Security Council in a letter dated 6 July 2007 from the President of the Security Council addressed to the Secretary-General. The integrated headquarters would make the difference between the United Nations mission being able to operate effectively in the future or having to wind down operations due to the unacceptable security risks currently faced by the mission.

The construction project is envisaged to be implemented as a "turnkey" solution based on "design-build" contractual arrangements. The current estimates for the construction project amount to some $134.5 million, excluding contingencies, and comprise the elements detailed in the Annex to the present letter.

The anticipated timeline for the execution of the project is as follows:

a) Design phase - July to 31 December 2007

It is planned to enter into a contract as soon as possible with related costs estimated to be in the range of $10.0 to $15.0 million. While fully cognizant of the conditions prevailing in Baghdad, these estimates are based on

/...

Mr. Rajat Saha
Chairman, Advisory Committee on Administrative
and Budgetary Questions
United Nations
New York, NY

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standard practice for projects of this nature, where the design phase normally costs between 8 to 12% of the overall construction costs. Based on the current expenditure pattern, it is anticipated that it would be possible to absorb these design costs against available balances within the existing provisions for special political missions.

b) *Build phase - 1 January to 31 December 2008*

This phase should be completed before the end of December 2008 as it represents the point in time where it is anticipated that the changes in the security arrangements for the International Zone would require the United Nations to consolidate its presence within the Zone to a single location from the present three separate locations.

It should be noted that the overall estimate of $134.5 million represents a Rough Order of Magnitude/Cost (ROC). It will be subject to changes in global cost of materials and services as well as the prevailing security situation in Iraq. The estimate does not include any contingency provision. It would be the usual practice for projects of this type/magnitude to provide approximately 10 to 15% for this purpose. Thus the estimate is likely to be subject to significant variations due to the reasons indicated above.

In the interest of advancing preparation for the construction of an integrated headquarters compound in Baghdad, two vacant P-4 positions have been redeployed from UNAMI to UNHQ for the period 1 July to 31 December 2007 to perform coordination and preparatory functions in connection with the development of the Statement of Works (SOW), sourcing, bidding and contract management of the United Nations integrated headquarters compound project in Baghdad.

In accordance with the established building construction procedures of United Nations organizations contained in paragraph 14 of the report of ACABQ dated 3 November 1981 (A/36/643), the concurrence of the Advisory Committee is sought to proceed with the design portion of the planned construction project and to submit to the General Assembly a fully developed proposal during its 62nd session. The project would be proposed for financing within the context of the overall 2008-2009 provisions for special political missions.

Yours sincerely,

Warren Sach
Assistant Secretary-General, Controller

ANNEX

UNAMI: Integrated headquarters compound project

Preliminary cost estimates

Project deliverables		Amounts in million of US$
A) Design-Build contract		
Design phase - 1 July to 31 December 2007		
1) Design of the integrated compound		(Range of) **$10.0 - $15.0**
Build phase - 1 January to 31 December 2008		
2) Construction services including materials		**$108.4**
Offices and accommodation facilities	$57.1	
Workshops and warehouses	$16.0	
Facilities for staff welfare	$6.5	
Infrastructure and external works (power and water supply, cabling, perimeter security)	$28.8	
3) Supplies and equipment		**$9.5**
General supplies and equipment (including $5.4 million for acquisition of security and safety equipment	$8.0	
Medical equipment	$0.7	
Other supplies, services and equipment	$0.8	
Subtotal Design-Build		**$127.9**
B) United Nations		
1 January to 31 December 2008		
Specialized communications and IT equipment		$6.6
Subtotal United Nations supplies and equipment		**$6.6**
Total (A & B)		(Range of) **$134.5 - $139.5**

THE SECRETARY-GENERAL

20 July 2007

Dear Mr. President,

I have the honour to refer to my letter dated 27 March 2007 (S/2007/241) and the letter of the President of the Security Council dated 27 April 2007 (S/2007/242) with respect to the processing of letters of credit pertaining to the oil-for-food programme.

The members of the Security Council reaffirmed the importance of promptly finding a final solution to the remaining issues so that payments can be made to the concerned companies and the programme can close as currently scheduled during the course of 2007.

The Security Council members also took note of my letter of 9 April 2007 regarding payments under letters of credit by BNP Paribas (the Bank). The concerns raised in my letter of 9 April 2007 have been resolved with BNP Paribas as of 12 July 2007. The Bank resumed processing payments to suppliers per the terms and conditions of their letters of credit starting on 17 July 2007.

The members of the Council requested me to continue my efforts and to report to the Security Council within two months on the progress made and to make specific recommendations regarding all outstanding issues.

His Excellency
Mr. Wang Guangya
President of the Security Council
New York

In this respect, the representatives of the Central Bank of Iraq met with the Controller in Amman on 3 and 4 June 2007. Please find attached a note outlining the main outcomes of that meeting and of actions sought of the Council.

Ban Ki-Moon