

“Written comments by Mthunzi Mdwaba on behalf of the Employers’ group

GB.340/PFA/3: **Update on building questions: Headquarters building renovation project and ILO-owned premises in Abidjan**

With regard to the headquarters building renovation project, The Employers’ Group note with satisfaction that additional renovation work, including the installation of insulated glass and emergency exits in the conference rooms, could be done under phase 1 and within the endorsed financial plan (namely some CHF 205 million) and the reported savings of CHF 1.7 million. Additional savings if any will supplement the financing of phase 2.

The sale of plot 4057 - for the amount of CHF 150 million - has now been finalized with the objective of financing phase 2 work. Related to this, we welcome the Office proposal to integrate the upgrading of the security environment within the scope of phase 2 of the renovation project, which is due to commence in mid-2021 and take 5 years to complete. Due to renovation work in the conference area, GB sessions and conferences may be impacted and require the use of other conference facilities during the period July 2021 to March 2024.

The delay in occupancy and rental payments by UNICEF has created a shortfall in available funds to cover for the repayment of the loan provided by the host country. On the basis that the proposed arrangement will have no long-term impact, we agree with the Office suggestion to advance the amount of CHF 2.7 million from the Building and Accommodation Fund to cover the shortfall and allow the payment of the first instalment in full due in December 2020.

With regard to the redevelopment of the ILO-owned premises in Abidjan, the Employers’ Group appreciate the progress made (since March 2018) and proposed way forward: proposal to extend the surface (with two additional floors) of the premises for rental purposes. We take note of the rather complex financial details demonstrating that the income generated from the future rental of the additional surface will suffice to re-credit in 10-12 years the necessary amount for the redevelopment of the ILO premises in Abidjan. However, given the significant estimated amount (up to 7.2 million) it would be advised that the Office foresee an alternative in case the rental plan would not be realized as anticipated.

28 October 2020

**Governing Body – 340th Session, October-November 2020
Programme, Financial and Administrative Section
Programme, Financial and Administrative Segment**

Workers' Group Comments

DOCUMENT FOR BALLOT BY CORRESPONDENCE

GB.340/PFA/3

Update on building questions: headquarters building renovation project and ILO-owned premises in Abidjan

We welcome the savings made during phase 1 of the project and the sale of plot 4057.

Concerning phase 2, we regret that options for securing funds early enough to ensure continuity between phases 1 and 2 of the project were not possible, meaning that the cost of phase 2 has risen.¹

In respect of paragraph 10, we welcome the fact that a number of elements previously removed will now be included in phase 2 and look forward to get further information in March 2021.

We support the proposal of integrating the upgrading of the security environment into the scope of the renovation works of phase 2. We welcome the information provided by the Office during the briefing session of October 19 that the building of a fence has been abandoned. We look forward to receive information in March 2021 as to the alternatives envisaged. We have taken note that work on the security perimeter/plan will be financed by the sale of land, whose proceeds will be transferred to the BAF, and look forward to receiving further details in March 2021 on the final scope and estimated budget.

We noted that works on Phase 2 will affect the availability of rooms during Governing Body and Conference sessions as of July 2021. We also noted the information provided by the Office during the briefing session that it envisages to build a temporary conference facility that would accommodate a room the size of the GB plus 3 or 4 meeting rooms. This should allow to renovate the ILO conference facilities in two stages instead of three which is welcomed.

Concerning the repayment of the loan for the renovation of the building, we agree to advance CHF 2.7 million from the Building and Accommodation Fund (BAF) to cover the first 30 annual payments given that due to the delayed occupancy by UNICEF a full year's rental income will not have been received by December. We also took note that this amount will be reimbursed to the BAF from future rental income.

Concerning the ILO premises in Abidjan we support the Office choice consisting in the demolition of the main building, construction of a smaller main building and the renovation and extension of the annex building. As ILO staff has increased compared to March 2018, it is proposed to add two floors to the ILO building which could also be made available to other UN agencies for rent in the future.

¹ From CHF 120 million to CHF 128-131.1 million, plus a margin of error of 15%.

We understand that as of now there has been no progress in the establishment of a UN house in Abijan. We request the Office to keep the Governing Body informed of developments in this area, given that a decision on this issue will have an impact on the possibility for the ILO to rent or not the two additional floors to UN staff.

We welcome the support from the Government of Côte d'Ivoire in terms of administrative support and construction permit. We also invite the Office to intensify its efforts to obtain financial support from the Ivorian authorities and any other relevant country from the African continent, for the building project. For now, we agree that the project be pre-financed from the BAF with a repayment made using rental saving and incomes.

Given that ILO staff will have to remain in spaces leased from the African Development Bank (ADB) for several more years, we invite the Office to consult with the local staff union to ensure the adequacy of the workplace. Another issue is access to the building which according to our information is difficult. Administrative procedures for social partners are discouraging, making work relations, particularly with trade unions, more difficult. We request that the Office also looks into these matters in order to ensure that constituents have an easy and regular access to the ILO.

We agree with the decision point.

**GB340 – PFA 3
November 2020**

Update on building questions: Headquarters building renovation project and ILO-owned premises in Abidjan

ASPAG Statement for Screening Group on 21 October 2020

1. ASPAG thanks the Office for the update on the Headquarters renovations and the information on the premises in Abidjan.
2. **On the Headquarters:** ASPAG congratulates the Office on finishing Phase 1 of the Renovations on time and on budget. This is a significant achievement and we wish to acknowledge the hard work of all those involved in completing the renovations to a high standard.
3. ASPAG also congratulates the Office on achieving an excellent sale price of CHF150million for plot 4057. We note this is significantly more than early estimates and it will mean that members will not be asked to fund Phase 2.
4. We appreciate that the sale proceeds are sitting in the Building Accommodation Fund, waiting for use for its purpose, which is Phase 2 of the Renovations.
5. Given Phase 2 estimates are around CHF130 million, the sale price of the land will cover the cost with extra funds available.
6. ASPAG notes that more information will be forthcoming between now and March 2021, including the final scope and estimated budget of Phase 2 of the project.
7. ASPAG would like to hear more from the Office on how we might meet UN security requirements without a perimeter fence. We note that the remaining CHF20million could be used for that fence or other appropriate security options, if necessary.
8. **On the Abidjan Office:** ASPAG reflects on the goals of UN reform which include co-locating UN agencies in so far as possible. To this end, ASPAG would like to see common premises be pursued in Abidjan, if possible.
9. ASPAG would like the Office to pursue possibilities for a shared UN building in Abidjan to obtain the best outcome for UN staff working together.
10. This would also be consistent with what the UN Secretary-General identified in his Report in April 2020, which was to identify how services could be provided more efficiently to regional offices through common offices.
11. With that, ASPAG thanks the Office for all its efforts to accommodate staff in safe and appropriate accommodation and can support the decision points.
12. Thank you Chair.

340th Session of the ILO Governing Body, November, 2020

PFA 3 Update on building questions: Headquarters building renovation project and ILO-owned premises in Abidjan

IMEC FINAL STATEMENT

- 1.) IMEC would like to thank the Office for this update on the HQ building renovations and the ILO owned premises in Abidjan.

HQ Building Renovations

- 2.) IMEC is pleased stage 4 of phase 1 renovations is expected to complete on time despite the impact of COVID-19 restrictions. IMEC also welcomes the news that the costs of stages 1-3 of phase 1 have realised savings of 1.7m CHF.
- 3.) We note the sale of land, plot 4057, has raised 150m CHF. We note that, should the allowed building density on the perimeter change, the selling price could potentially still increase. Further, we note that the current estimated costs of phase 2 are expected to range from 128-131m CHF. Whilst we recognise that the true estimate will only be known once bids are finalised spring next year these are welcome figures that indicate phase 2 costs including temporary alternative conference facilities should be fully financed through the sale of the land and the monies currently available in the Building Accommodation Fund.
- 4.) IMEC looks forward to receiving a comprehensive security plan in March 2021, including options for the security perimeter and other priority areas. We note the information provided at the pre-GB consultations that the funding for these measures will also come out of the sale of the land and the money currently available in the Building Accommodation Fund.
- 5.) IMEC is pleased UNICEF rental discussions have concluded and payments will commence in December. Recognising the 2.7m CHF shortfall in loan repayment the use of the Building Accommodation Fund seems appropriate as it will be replenished by rental income in due course.

Abidjan Premises

- 6.) We note that the Abidjan premises are not currently fit for purpose and the ILO is leasing premises from the African Development Bank. We also note the proposal for a new UN building but understand this proposal has not progressed to a significant stage.
- 7.) The UN has set a goal under UN Reform for 50% of UN premises to be common premises by 2021. Common premises are important as an enabler for common and shared services between agencies. However, more broadly it forms an integral part of the UN efforts to harmonise operations at the country level. As the ILO develops its planning IMEC would like to encourage coordination between the

ILO, UN Country Team and the Resident Coordinator to promote this objective and understand how it may be best served.

- 8.) IMEC understands the need to start planning for the renovations now. However, IMEC expects coordination between the ILO, UN Country Teams and the Resident Coordinator to promote the objective of sharing common premises. Should the option for a One UN Building arise, IMEC expects the Office to pursue that option. Likewise, should alternative options become available that are more suitable or more cost efficient, IMEC expects the office to change its plans accordingly. IMEC would, therefore, request an update at the next Governing Body in March 2021 on the status of planning and engagement with the rest of the UN Country Team in Abidjan.
- 9.) IMEC supports the point for decision.