



Governing Body

338th Session, Geneva, 12–26 March 2020

GB.338/PFA/5/2

Programme, Financial and Administrative Section
Programme, Financial and Administrative Segment

PFA

Date: 13 February 2020
Original: English

FIFTH ITEM ON THE AGENDA

Other financial questions

Premises for the ILO Regional Office for Africa and Country Office for Côte d'Ivoire, Benin, Burkina Faso, Mali, Niger and Togo in Abidjan

Introduction

1. At its 332nd Session (March 2018), the Governing Body was informed of the nature and extent of the works necessary to rehabilitate the ILO's premises in Abidjan, Côte d'Ivoire, and of the options that were being considered by the Office.¹ The property was gifted to the ILO in 1990 by the Government of Côte d'Ivoire for the purpose of housing the ILO Regional Office for Africa.

Key developments

2. After a careful review of the options presented to the Governing Body, the Director-General considered that the Office's current and future requirements would be best met by the second option presented, consisting of the demolition of the main building, the construction of a smaller main building and the renovation and extension of the annex building. This preferred option, which was designed to accommodate 56 staff, was estimated at the time to have a cost of some US\$6 million. However, since March 2018, the number of ILO staff in Abidjan has increased to 63, which includes 43 staff working in the Regional Office and Country Office and 20 staff working on development cooperation projects.

¹ [GB.332/PFA/INF/1](#).

3. Furthermore, recent discussions have been held in the context of United Nations (UN) accommodation requirements in Abidjan and, while there are currently no proposals for the establishment of a One UN House, it is probable that an approach incorporating several UN accommodation hubs will be pursued. Accordingly, the Office could at this point consider adding two floors to the building, which could be made available to other UN agencies for rent in the future. These two additional floors would represent a surface area of 300 square metres (150 square metres per floor) and could accommodate around 30 staff. The investment cost for these two floors would be approximately US\$410,000 (US\$205,000 per floor). Based on the rent that the ILO currently pays to lease premises from the African Development Bank, the Office estimates an annual rental return of US\$72,000.
4. Further consultations on the subject have taken place with the Government of Côte d'Ivoire and, in December 2019, the ILO and the Government agreed to set up an appropriate mechanism of high-level collaboration in support of this redevelopment project. The Government will provide administrative support to the ILO, to facilitate the necessary permit and concessions.

Proposed way forward

5. The Office is currently reviewing the technical design of the preferred option and the associated financial estimates in order to approve the preliminary study and prepare the necessary information and documentation to start the procurement process for construction project management services and the future redevelopment works. This is the same successful model that the Governing Body previously approved for the renovation of the premises of the ILO Country Office for Brazil, in Brasilia.²
6. The process of tendering for a construction management company and then for a construction company is expected to take 18 months, and it is anticipated that the actual works will start in mid-2021. The total duration of the project is estimated at four years, during which time the Regional Office and Country Office will continue to be accommodated in space leased from the African Development Bank.

Financial arrangements

7. The total cost of the project is currently estimated at US\$6.35 million, or up to US\$7.2 million if an additional two floors are to be built. A number of elements related to safety and security would be funded from provisions within the region's regular budget for maintenance and security.
8. It is proposed that the redevelopment project be pre-financed from the Building and Accommodation Fund. Any future savings to the regular budget on the cost of renting ILO accommodation in Abidjan would be used to reimburse the Fund once the project is completed. The payback period using the anticipated rental savings is estimated at ten to 12 years. Any future rental income received from external parties such as UN agencies or from development cooperation projects will be credited to the Fund as currently required under the Financial Regulations.

² GB.331/PFA/6/1.

9. The Office will continue its discussions with the Government of Côte d'Ivoire in order to explore the possibility of Government assistance to finance the redevelopment project as an alternative to or to complement ILO direct financing.

Draft decision

10. *The Governing Body:*

- (a) *authorized the use of the Building and Accommodation Fund to finance the redevelopment of the premises of the ILO Regional Office for Africa and ILO Country Office for Côte d'Ivoire, Benin, Burkina Faso, Mali, Niger and Togo in Abidjan, at an estimated cost of US\$7.2 million, on the understanding that this amount will be re-credited to the Fund using future savings on the cost of renting ILO accommodation in Abidjan and income from the rental of any surplus space; and*
- (b) *requested the Director-General to continue to engage with the Government of Côte d'Ivoire regarding a potential financial contribution to the project.*