

“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