



TENTH ITEM ON THE AGENDA

Report of the Building Subcommittee

1. The Building Subcommittee of the Programme, Financial and Administrative (PFA) Committee met in Geneva on 9 November 2009. The Officers of the Subcommittee were: Mr Paixão Pardo (Government member, Brazil), Chairperson and Reporter; and Mr Lima Godoy (Employer member) and Mr Ahmed (Worker member), Vice-Chairpersons.

Status report on ongoing renovation activities

2. The Subcommittee had before it a paper¹ informing it of the status of the ongoing renovation activities at the headquarters building in Geneva.
3. The acting Chief of the Internal Administration Bureau presented the paper, highlighting the fact that the work was going well, the deadlines were being met, and the summary of the financial status showed an available balance of 1.9 million Swiss francs (CHF). She recalled the importance of the point for decision² aimed at completing the works in the car park and invited the members of the Subcommittee to visit the areas where the works had been carried out after the meeting.
4. The Worker members welcomed the works that had been carried out. They highlighted the importance for the ILO of having installed the Genève Lac-Nations (GLN) system, which reduced operational costs and improved the Office's environmental record. They noted with satisfaction that the sound equipment in the meeting rooms had been repaired at no additional cost to the Office. They supported the point for decision, emphasizing the urgent nature of the works in the light of safety concerns.
5. The Employer members thanked the Office for the quality of the report provided, and welcomed the good news concerning the progress of the works and the announced savings. However, they wondered whether the amount allocated for the removal of asbestos, mentioned in the paper submitted under item 4 of the Subcommittee's agenda, should not be deducted from the announced savings. They also commended the progress made regarding the GLN project, which clearly showed the ILO's commitment to sound

¹ GB.306/PFA/BS/1.

² Paragraph 12.

environmental practices. Concerning the point for decision, they recalled that major works were to be expected in the context of renovation of the headquarters building, and that it would thus perhaps be more judicious to allocate all the savings made to the Building and Accommodation Fund.

6. The representative of the Government of Brazil, speaking on behalf of the group of Latin American and Caribbean States (GRULAC), joined the Worker and Employer members in commending the Office on the work that had been done. She requested clarification regarding the estimated costs of replacing the flooring in the car parks.
7. The representative of the Government of Japan supported the point for decision and suggested that the use of the fund should satisfy three conditions: that it be urgent for safety and health reasons, that the cost should not be higher than if done within the future overall renovation, and that the cost be within the remaining funds.
8. The representative of the Government of the United Kingdom, speaking on behalf of the industrialized market economy countries (IMEC), thanked the Office for having informed the members of the Subcommittee regularly on the progress of the works. She requested additional information on the urgency of carrying out the works proposed in the point for decision and asked whether the Office had considered using the remaining funds for other purposes.
9. The Treasurer and Financial Comptroller, replying to the questions asked by members of the Subcommittee, explained that the installation of the lift for persons with disabilities and the boilers had been financed out of another budget and that the costs had therefore not been reflected in the budget for urgent works. The announced savings thus came entirely under urgent works. It had been decided that, for the next session of the Governing Body, works that had been financed out of different allocations would be reflected in a separate document in order to avoid any confusion. The cost of CHF750,000 to renovate the P3(A) and P4 car parking areas had initially been estimated on the basis of similar works carried out recently on other levels and had then been confirmed by the bids received in response to international calls for tender issued by the Office pending Governing Body approval of the use of that amount.
10. The Chief of the Building Section stated that the urgent works already carried out in the car parks were in areas affected by water leakage and had thus been dictated by structural requirements. The proposed works in the P3(A) et P4 parking areas were essentially dictated by safety concerns.
11. The Employer spokesperson supported the point for decision in paragraph 12, taking into account the clarifications provided by the Office and the views of the Worker members confirming the urgency of the proposed works in the P3(A) and P4 parking areas.
12. ***The Building Subcommittee proposes to the PFA Committee that it recommend to the Governing Body that it approve the use of up to CHF750,000 of the funds remaining from the urgent works allocation for the resurfacing of the floors in the P3(A) and P4 parking areas.***

Report on the situation concerning future renovation work

13. The Subcommittee had before it a paper³ informing it of progress in relation to securing financing for future renovation of the headquarters building in Geneva, and of the next steps.
14. The Treasurer and Financial Comptroller, introducing the paper, stressed the importance of continuing the negotiations with the Swiss authorities aimed at reconciling the needs of the ILO with those of the Confederation, the Canton and the City of Geneva. He recalled that that was a necessary prerequisite for the development and use of the land and the preparation of the renovation master plan.
15. Mr Gilliot, a technical consultant, gave a projected presentation on the additional study on the ways in which the ILO land would be developed. An electronic version of the presentation would be sent to the members of the Subcommittee.
16. The Employer members thanked the Office for a clear presentation and expressed their confidence in the ability of the Informal Working Group to move the project forward, although they regretted the slow progress of negotiations. The Employer members would have wished the master plan to have been submitted to the Subcommittee before the City and the Canton of Geneva, in order to maintain the precedence of the Governing Body in decision-making.
17. The Worker members welcomed the creation of the Informal Working Group and the positive relations with the local authorities. They endorsed the Employers' view regarding the need to inform the Governing Body first. They also considered that the co-ownership arrangement referred to in paragraph 12 should be maintained for any building that would be built on plot 3844. With regard to the creation of spaces for public use, the Worker members felt that the Geneva authorities should contribute financially to the development and upkeep of these areas. They requested the Office to continue to keep the members of the Subcommittee informed of progress in the negotiations on that project.
18. The representative of the Government of Brazil, speaking on behalf of GRULAC, pointed out that it was particularly important to preserve security on the plots while at the same time allowing public access. She requested further details on the construction of new buildings on the ILO plots.
19. The representative of the Government of the United Kingdom, speaking on behalf of the IMEC group, recalled the need for the Subcommittee to be regularly informed and acknowledged the Office's efforts to that end. She requested the Office to report on the status with regard to the project manager, who should have already been recruited.
20. The representative of the Government of Japan emphasized the importance for the Office of taking a decision without delay in order to avoid escalating costs. He requested that a renovation plan reflecting the nature of the negotiations be presented to the Governing Body.
21. The Treasurer and Financial Comptroller explained the difference between the renovation master plan requested by the Subcommittee, setting out the financing, timetable and works, and the land use master plan referred to in the paper. The proposed master plan was in fact being studied in parallel by the Governing Body and the Swiss authorities. Regarding the

³ GB.306/PFA/BS/2.

financial contribution of the authorities to the development of the public areas, the Treasurer and Financial Comptroller confirmed that that was a key element of the current negotiations and that the indications at that stage were rather encouraging. The Treasurer confirmed that the plans for plots 3844 (avenue Appia) and 3924 (route de Ferney) were independent of each other; the former was intended for an administrative building and the latter for mixed use (administrative and residential).

22. In reply to the question concerning the project manager, the Executive Director for the Management and Administration Sector explained that the recruitment would take place at a later stage. Given that resources were currently being used to finance the necessary local technical expertise, the Office would recruit a project manager once that phase had been completed.
23. The Employer members pointed out that the renovation master plan should be a key element of the timetable in Appendix I of the paper. They also recommended that the negotiations under way with the Swiss authorities should specifically cover responsibility for developing the public areas.
24. The Chairperson and Reporter of the Building Subcommittee joined the members of the Subcommittee in emphasizing the importance of holding informal meetings between the March and November sessions of the Governing Body.
25. *The Building Subcommittee proposes that the PFA Committee recommend to the Governing Body that it authorize the Director-General to enter into arrangements as he considers appropriate relating to granting public access to ILO land, including clarification of the respective responsibilities of the parties concerned, in particular as regards the financial aspects.*

Overview of ILO accommodation

26. The Subcommittee had before it a paper⁴ submitted for information presenting financial and statistical information on the field offices and headquarters.
27. The Worker members expressed their appreciation for the detailed information in the paper and invited the Office to apply to the local authorities of the member States in which it rented premises with a view to obtaining rent-free accommodation. They also highlighted the importance of paying special attention to the working conditions and security of field office staff.
28. The Employer members commended the Office for the paper, which met the request of the Subcommittee. They asked for clarifications as to the high cost of maintenance and repairs in offices rented by the ILO or provided to it free of charge.
29. The representative of the Government of the United Kingdom, speaking on behalf of the IMEC group, requested the Office for clarifications on the financing and management of maintenance in field offices owned by the ILO. She recalled the importance of having access to the information contained in the paper in the context of the discussions on the review of the ILO field structure.

⁴ GB.306/PFA/BS/3.

30. The Treasurer and Financial Comptroller explained that the costs of maintenance and repairs of premises rented by the ILO were managed on a case-by-case basis. The ILO sometimes financed repairs in exchange for a reduction or waiver of rent. As for ILO-owned premises, major renovation works would be financed out of the reserve set up for the purpose, the aim being to reserve 1 per cent of the value of the building per year. Initial provisions had been made for the purpose in the Programme and Budget for 2008–09 and that for 2010–11.

Use of the earmarked resources to meet the cost of urgent repairs

31. The Subcommittee had before it a paper⁵ and took note of its contents for information.

Geneva, 11 November 2009.

Points for decision: Paragraph 12;
Paragraph 25.

⁵ GB.306/PFA/BS/4.