INTERNATIONAL LABOUR OFFICE

Governing Body
337th Session, Geneva, 24 October–7 November 2019

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

PFA

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FIFTH ITEM ON THE AGENDA

Other financial questions

Proceeds from the sale of the ILO Brussels office

1. Following a review of the office accommodation requirements in Brussels, Belgium, the Director-General has decided to sell the ILO-owned property currently occupied by the ILO Office for the European Union and Benelux countries and relocate to the United Nations (UN) House.

2. The ILO property was purchased in 1997 for some US$440,000 with financing provided from the Building and Accommodation Fund. The property, a converted residential villa, is confronted with a need for a significant investment in infrastructure improvements to address waterproofing and insulation problems, access for visitors or staff with disabilities, upgrades to electrical and heating installations and improvements in space utilization to better adapt it to an office environment.

3. The ILO property consists of some 434 square metres of space, compared with some 221 square metres (including common areas) proposed in the UN House. It is located a considerable distance from the European sector in Brussels requiring frequent and time-consuming travel. Integrating the ILO office within the UN House, centrally located close to the European and Constituents' offices, will facilitate interaction with important partners, be in line with UN reform objectives enabling closer inter-agency collaboration and avoid the significant renovation investment.

4. Appraisers have estimated the net sale value of the property at $750,000.

5. The annual cost sharing for space in the UN House will be some $92,500, which will be partially offset by provisions of $15,000 for utilities and other premises related expenses within the office's budget ($77,500 per annum or $155,000 per biennium).

6. As the opportunity to relocate to the UN House and the extent of the renovation costs have only emerged recently, no additional provision was foreseen in the 2020–21 budgetary estimates. Therefore, it is proposed that the net cost sharing of $155,000 for the biennium 2020–21 be exceptionally funded from the proceeds of selling the current property with the balance of the proceeds being transferred to the Building and Accommodation Fund, the original financing source for its purchase. Such an arrangement will require a decision by the International Labour Conference.

7. In preparing the Programme and Budget proposals for 2022–23, full provision will be made for the ongoing cost-sharing arrangements for occupancy of the UN House.

Draft decision

8. ***The Governing Body:***

(a) recommended that the International Labour Conference at its 109th Session (2020) approve, in accordance with Article 11.1 of the Financial Regulations, the transfer of the proceeds from the sale of the ILO-owned premises in Brussels, Belgium, to the Building and Accommodation Fund after deducting an amount of US$155,000 to cover the cost-sharing charge in UN Common Premises for the ILO Office for the European Union and Benelux countries for 2020–21; and

(b) proposed to the Conference at the same session a resolution in the following terms:

The General Conference of the International Labour Organization,

Decides that the net proceeds from the sale of the ILO-owned premises located at rue Aimé Smekens, 40, 1030 Schaerbeek, Brussels, Belgium be credited to the Building and Accommodation Fund after deducting an amount of up to US$155,000 to meet the cost-sharing charge attributed to the ILO for its occupancy of space in the UN House, Brussels during the biennium 2020–21.