



Governing Body

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

PFA

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FIRST ITEM ON THE AGENDA

Update on the headquarters building renovation project

Purpose of the document

This paper provides information on the current status of, and developments with regard to, the renovation of the ILO headquarters building since the 329th Session of the Governing Body in March 2017. It also provides information on recent developments regarding possible land use and perimeter security.

Relevant strategic objective: None.

Main relevant outcome/cross-cutting policy driver: None.

Policy implications: None.

Legal implications: None.

Financial implications: No immediate implications; subject to decisions of the Governing Body.

Follow-up action required: Further progress report in March 2018.

Author unit: Office of the Deputy Director-General for Management and Reform.

Related documents: GB.309/PFA/BS/2(&Corr.); GB.309/PFA/11/1; GB.310/PFA/BS/1; GB.312/PFA/5(&Corr.); GB.313/PFA/INF/2; GB.313/PFA/INF/2(Add.); GB.313/PFA/3/2; GB.315/INS/6/1; GB.316/PFA/3; GB.170/FA/BS/D1/2; GB.317/PFA/2; GB.319/PFA/4; GB.320/PFA/5(Rev.); GB.322/PFA/3; GB.323/PFA/3; GB.325/PFA/1; GB.326/PFA/3; GB.328/PFA/3 and GB.329/PFA/3.

Key developments

1. The renovation of the southern third of the main building has been completed and is operational. Some 700 people relocated to the new offices during the course of April and May 2017. The feedback from staff has been positive, with some members reporting that they considered the new surroundings to be a more efficient working environment. The inevitable teething issues were addressed promptly with particular emphasis on business continuity.
2. Renovation of the middle third of the building is in progress; the demolition and asbestos removal has been completed, the facade renovation is ongoing and the mechanical services works will begin in late September. The ongoing works are on schedule and the deadline for the completion of floors 1–11 by the end of 2019 is still on target.
3. The occurrence of safety and health issues has remained minimal, and the good relations with the local worksite inspectors have been maintained.
4. There have been very few complaints from staff relating to disruptions due to the works.

Upcoming works

5. The renovations are continuing in earnest with the works sequenced from the first floor up, following a Lean construction management system, based on the lessons learned from the renovation of the first third. It is expected to complete the first floor in early 2018 and carry out the relocation in the second quarter of next year.

Project budget

6. The total budget for the initial works remains within the limits of the financial plan previously endorsed by the Governing Body, namely, some 205 million Swiss francs (CHF). As announced at the 329th Governing Body Session (March 2017), savings being generated by the value engineering will be reallocated to the provision for unforeseen costs that may arise and to the partial renovation of the lower floors:

Financial update, as at 31 July 2017

	CHF('000)
Approved budget	205 549
Contracts issued	198 932
Expenditure to date	83 324

Financing and potential donation packages

7. The contract for the CHF70 million loan from the Swiss Confederation, included within the financing plan, has been signed and entered into force on 18 April 2017. The first draw-down is due to occur in October 2017, with further draw-downs being defined and agreed as per the terms of the contract.

8. The Office continues its discussions with various potential tenants interested in occupying refurbished space that will become available following the completion of the project with a view to generating revenue to offset the loan repayments.
9. The Office has engaged the services of a specialized property development and management company to investigate and propose specific development opportunities for the vacant freehold property adjacent to the headquarters building – plot 4057. The company has been instructed to include in its consideration the possibility of the land being partially used by the International School of Geneva as presented to the Governing Body in March 2017. An oral update of progress will be provided to the Governing Body.

Perimeter security

10. Based on a draft perimeter project document submitted by the Office to the host country, the Foundation for Buildings for International Organisations (FIPOI) commissioned an initial study, the conclusions of which were presented to the Office in July 2017. In the light of those conclusions, a series of consultations were held with the local security services with a view to adopting a realistic common approach that would accommodate the host country's land management plans, environmental and security considerations while enabling the ILO to mitigate the heightened security threat level it is facing. In conclusion, all parties agreed to review the required specifications and the financial requirements for perimeter security in close consultation with all relevant stakeholders.
11. The ILO is undertaking in parallel, with the support of an engineering company, a study in order to define the scope and related cost estimate for technical safety networks, external lighting systems and any other specific security equipment that would be required to complement the perimeter fence installations in order to have a fully functioning system.
12. A further update on all of the above subjects will be provided by the Office in March 2018.