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

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THIRD ITEM ON THE AGENDA

Update on the headquarters building renovation project

Purpose of the document

This document provides information on the current status of phase 1 of the renovation of the ILO headquarters building. It also provides an update on developments related to the vacant ILO land previously recommended for sale or lease and on the way ahead for phase 2. Finally, it requests the Governing Body to endorse a project to enhance security at headquarters (see the draft decision in paragraph 33).

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 on the Director-General's Programme and Budget proposals for 2020–21.

Follow-up action required: Further progress report in November 2019.

Author unit: Office of the Deputy Director-General, Management and Reform (DDG/MR).

Related documents: GB.334/PFA/PV; GB.334/PFA/2; GB.332/PFA/3.

1. At its 334th Session (October–November 2018), the Governing Body requested the Director-General to pursue discussions with the local authorities and other interested parties on the possible sale of plot 4057 and to provide the Governing Body with a progress report on both the ongoing construction work and the possibilities for development and sale of plot 4057 at its next session.¹ Part 1 of this document provides information on the progress of phase 1 of the renovation of the headquarters building and an update on the outcome of discussions with local authorities. It also presents the prospects for proceeding to phase 2 and recalls the implications if continuity between phases cannot be achieved. Part 2 of the document addresses the outcome of studies relating to the security perimeter of the headquarters property.

Part 1. Current status

2. The renovation of the final third of the building is progressing well, with some floors already nearing completion. It is now expected that the renovation works of floors 1–11 will be completed several months ahead of the official completion date of late 2019.
3. It is expected that the Department of Statistics and the International Social Security Association will relocate to the headquarters building in September–October 2019. The Office has already given notice to the World Meteorological Organization, where they have been temporarily housed since June 2014. Following the return of the Department of Statistics and the International Social Security Association, other headquarters staff will be relocated in the building between the end of 2019 and early 2020.
4. Despite the speed of progress and the fact that some 200 people are actively working on site, the quality of the work has remained high and the accident incidence rate has remained low. Good relations with the local worksite inspectors have been maintained and there have been no issues raised by the construction sector unions since those reported to the Governing Body in November 2018.
5. Avoidance of disruptions to usual Office activities due to the works continues to be a priority. Staff have been very understanding and supportive, as reflected in the low number of complaints.
6. As this phase of the project nears completion, the project team has relocated from the temporary offices on the western side of the building to facilitate the restoration of the pond to its original state and the refurbishment of the exterior arrival area prior to the 108th (Centenary) Session (2019) of the International Labour Conference. Other site infrastructure is being progressively dismantled as works progress and will be completely removed in time for the 337th Session of the Governing Body, in October 2019.
7. It is expected that the closing of any contractual issues and settling of final accounts for phase 1 will be substantially completed by the end of 2019. Under the loan agreement with the Swiss authorities, CHF43 million of loan finance has been drawn down, with another CHF27 million due to be transferred by the end of 2019. Following completion of phase 1, including the elements of the lower floors within the scope of that phase, interest will accrue on the loan and annual repayments will commence. The Governing Body will recall that rental income will be used to meet these loan obligations so as not to impose a charge on member States.

¹ [GB.334/PFA/PV](#).

Project budget

8. The total budget for phase 1 remains within the limits of the financial plan previously endorsed by the Governing Body, namely some CHF205 million.
9. Savings generated by the project team through value engineering and design reviews during this phase have been reallocated, as agreed, to the provision for unforeseen costs and towards the partial renovation of the lower floors.

Financial update, as at 31 December 2018

	CHF ('000)
Approved budget	205 549
Contracts issued	200 606
Expenditure to date	170 452

Renovation of the lower floors (phase 1)

10. The Governing Body will recall that, at its 325th Session (October–November 2015), the scope of the project budget for phase 1 had been confirmed as being limited to the renovation of the main building and the installation of insulated glass in the large bay windows and fire escapes in the conference rooms.²
11. The scope of the renovation of the lower floors within phase 1 has always been dependent on the financial outcome of the renovation of the main building. As phase 1 reaches its conclusion, the Office is now in a position to evaluate the resources available and is working with the main contractor to set out future options. It is currently expected that some CHF7 million could be allocated to replace the glazing of all the conference rooms, incorporate escape doors within the glazed facade and install escape ways and staircases on the outside of the building, thereby improving safety and the thermal efficiency of the conference rooms.
12. The sum of CHF7 million takes into account the resources previously earmarked for the renovation of the lower floors (CHF4 million) and the ILO's share of the savings generated with the main contractor during phase 1.
13. Once the scope of work is determined, detailed planning will be required to establish a schedule that would minimize the periods during which the conference rooms are out of service as well as any disruption to planned Centenary celebration events.

Status of negotiations with potential tenants

14. Discussions have been ongoing with a United Nations (UN) organization interested in taking all available space in the headquarters building. A UN tenancy has advantages for both parties with respect to security, shared services and potentially strategic cooperation. It is also consistent with measures under the UN System Common Premises concept. Discussions are at an advanced stage and contractual terms are being drafted.

² [GB.325/PFA/1](#).

15. Other entities occupying space in the headquarters building, for example development cooperation projects and the International Social Security Association, will contribute to occupancy costs and pay a notional rent to minimize any charge on the regular budget and ensure that the loan repayments are fully funded.

Development of vacant land

16. Since the last report to the Governing Body,³ two meetings have been held with representatives of the host country and the cantonal authorities with a view to making progress towards the realization of the development potential of the adjacent land (reference 4057). The cantonal authorities have advised that it would not be realistic to anticipate zoning approval in less than three years. Precise details on the density and nature of any potential construction on the ILO-owned land are contingent on the conclusion of that approval process.
17. According to the authorities, any development may have to include the provision of public space for an educational institution, social housing and office facilities. These requirements would need to clearly feature in any revised development plan and would have an impact on the potential value. This prospect is not as encouraging with respect to the development potential, as that which emerged during the preliminary study reported to the Governing Body at its 332nd Session (March 2018).⁴
18. Nonetheless, the Office continues to receive strong expressions of interest from investors and developers on the potential development and valuation of the land, consistent with the consultant's report previously provided to the Governing Body. The Office also understands that some member States are actively looking for land to build new premises in the area. This is encouraging as it confirms interest from the investment market. However, given the uncertainty over the approved zoning and development potential, any sale of the land in the short term is likely to yield a minimum price which would not be in the interest of the Office. The value of the land would be considerably enhanced after completion of the approval process but will also depend on zoning decisions ultimately to be taken by the cantonal authorities.

The way ahead

19. Options for securing funds to ensure continuity between phases 1 and 2 are now exhausted. Member States have repeated their position that financing should not come from assessed contributions. The possibility of a further loan has been eliminated, as repayments would require funding from member States. The option of bridging finance through a commercial loan pending the completion of zoning and development procedures has also been eliminated, as some member States are prohibited from contributing to interest payments. With rental income already allocated to repaying the existing loan, loan financing is no longer an option. Consequently, the Office has been obliged to commence planning for the demobilization of the worksite and project staff. There are, however, certain important consequences which are recapitulated below. Should funding become available in the future, a new project would be developed for phase 2 as previously scoped and described in Appendix I. New staff would be recruited and consultants and contractors would be engaged through the normal procurement processes.

³ [GB.334/PFA/2](#).

⁴ [GB.332/PFA/3](#).

Implications of a lack of continuity

20. The postponement of the work included in phase 2 will have the following implications:

- Outstanding safety and health issues, including the need to:
 - increase the number of fire escapes;
 - ensure that the main archives room does not present a fire risk;
 - effect the necessary fire compartmentalization in the air ducts and partitions of the lower floors to prevent the rapid spread of fire;
 - monitor and mitigate the continued presence of asbestos in the lower floors to ensure the safety of users, although the asbestos is currently contained and of no immediate danger; and
 - improve the quality of air in the affected areas and eliminate the circulation of glass fibres and growth of fungi and bacteria in the air ducts and the air handling units.
- Environmental considerations:
 - The environmental benefits anticipated will only fully materialize in the longer term. Energy efficiency and conversion to a fully renewable energy source will be on hold and compliance with local energy standards, one of the intended goals of the project, will be postponed.
 - The energy costs will increase as the outdated heating installations continue to deteriorate and become less efficient.
- Operational and cost implications:
 - It can be expected that increased wear and tear on mechanical, electrical and plumbing installations will become more frequent, with unforeseen shutdowns complicated by the unavailability of spare parts for obsolete equipment.
 - Shutdowns and operational problems are likely to have an adverse effect on Office activities and productivity.
 - A new project would be affected by a loss of project knowledge and continuity. The Office would also be faced, with the financial and time constraints of recruiting and developing a new team, with the prospect of reapplying for a building permit if the period between the two phases were to exceed 18 months. This could be expected to involve a delay of some 12 months at an additional estimated cost of some CHF3 million. Finally, the documents would have to be presented and reviewed with the various local authorities, the outcome of which could in turn lead to additional requests from authorities and possible redesign with additional costs.
 - With respect to the project costs, as indicated in March 2018, without continuity, an increase of CHF4.7 to CHF11.1 million should already be foreseen for phase 2. Any further delay can be expected to result in further increases.

21. The ILO headquarters building will not be compliant with local codes until phase 2 is completed nor will the Office meet its commitment to the UN's Greening the Blue initiative.

22. The Office will continue its work with the local authorities to determine a road map to realize the full value of the ILO land and to enable phase 2 to be undertaken. It will also remain open to proposals from member States and benefactors for innovative solutions to resolve this critical situation.

Part 2. Security perimeter for ILO headquarters in Geneva

Background information

23. At its 331st (October–November 2017) and 334th (October–November 2018) Sessions, the Governing Body was informed of studies related to the perimeter security of the ILO headquarters property.⁵ In July 2016, the United Nations Department of Safety and Security (UNDSS) endorsed the security risk assessment for Switzerland established by the UN Division of Regional Operations, which recommended raising the country's security risk level from 1 (minimal) to 2 (low) on a scale of 1 to 6, with immediate effect.
24. In line with this recommendation, the ILO conducted a comprehensive risk assessment of the level of compliance of its headquarters premises with UNDSS standards to identify measures to adequately improve the level of protection of its premises, staff and visitors against a wide range of potential risks. The most reliable and efficient measure identified to ensure compliance with UNDSS minimum security requirements was the construction of a perimeter wall surmounted by a fence around the ILO headquarters building. This is based on the principle that it is most effective, from both a cost and security perspective, to restrict access to the property as a whole, particularly in view of the multiple access points to the actual building and its immediate vicinity.
25. The conclusions of this risk assessment were shared with the Permanent Mission of Switzerland to the United Nations Office and to the other international organizations in Geneva. This was followed by a review of the ILO premises and security installations carried out by a security expert from the Swiss federal authorities and a further series of consultations which led to a feasibility study and a final proposal for the design and establishment of a security perimeter. The review, funded by the Swiss Building Foundation for International Organizations (FIPOI), included several on-site visits and involved collecting the views of all stakeholders and validating the different elements of the security concept and related costs. The review, which accommodated the host country's land management plans and environmental and security considerations, concluded that the implementation of the perimeter project was technically feasible, had no blocking points and could move forward. It included the construction of a perimeter wall and fence, related access control, technical security installation works, external lighting systems and other specific security equipment required to support the perimeter structure in order to ensure a fully functioning system. This project, which did not include any measure to improve security inside the building, was estimated at some US\$24 million and included six major clusters of deliverables:
 - (a) construction of the perimeter wall and fence (US\$4 million);
 - (b) construction and equipment of a visitor reception centre as well as essential lighting, cabling and electrical works (US\$7.6 million);

⁵ [GB.331/PFA/1](#) and [GB.334/PFA/2](#).

- (c) installation of identification and detection devices, including video surveillance equipment, improved access control systems, an intrusion detection system and their integration into the functions of the control centre (US\$1.3 million);
- (d) support for technical installations, including technical connectivity between the exterior installations and the main building, lighting fixtures and poles (US\$3.4 million);
- (e) establishment of gatehouses, pathways and rehabilitation of local fauna (US\$7.6 million); and
- (f) demolition works of some of the current gatehouses and other installations, disposal and waste treatment, and disposal of debris (US\$350,000).

Comprehensive security plan for ILO headquarters

- 26.** In December 2018, the Office updated the security risk register and conducted a physical security assessment that established a comprehensive security plan for its headquarters, listing critical priority measures to be undertaken inside and outside the building, which resulted in a revised total estimate of some US\$25 million, including management and study costs.
- 27.** Given the considerable investment required for the implementation of this comprehensive security plan, and following the discussions at the 334th Session (October–November 2018) of the Governing Body, the Office took the initiative to explore an effective and phased approach to implementation, spanning two biennia (2020–21 and 2022–23).
- 28.** During the current biennium (2018–19), the Office is addressing a number of urgent security gaps by initiating improvements to building security at an anticipated cost of US\$1.2 million, using resources allocated for that purpose in the Programme and Budget for 2018–19 and reallocated funds from the Internal Services and Administration Department.
- 29.** The paragraphs below present the scope and financial requirements for the completion of the comprehensive security plan and propose a prioritization of measures to enable the plan to be implemented in two phases. Under the phased approach, a first batch of measures would be implemented in 2020–21 with an estimated cost of some US\$14 million and a second batch of measures would be implemented in 2022–23 at an estimated cost of US\$11 million, as detailed in Appendix II. The comprehensive security plan includes a perimeter wall and fence with reinforced entry points for vehicles and pedestrians, the construction and equipping of a two-storey stand-alone visitor reception centre in compliance with UN security standards for buildings of this type, appropriate lighting on the premises, and a video surveillance (CCTV) system covering the perimeter and all entry and exit points of the headquarters building. It also includes critical security measures to be implemented within the building. When completed, this comprehensive plan would bring the ILO headquarters building fully into line with UNDSS standards and policies.
- 30.** The cost estimates for phase 1 provided below have been established on the basis of estimates drawn from the initial perimeter project, comparative data collected from other Geneva-based UN agencies where available, and internal estimates. Preliminary studies and engineering costs are included. Project management is also included and any operational costs would be absorbed within the Internal Services and Administration Department's existing budget.

Measures to be implemented in phase 1 (2020–21)

- (a) Shatter-resistant film should be installed on the glass windows in the colonnade area to address the non-compliance of the ILO building in terms of stand-off distance. This measure would significantly mitigate the impact of a major explosion close to the building (US\$110,000).
 - (b) Cost-effective badging and access control systems should be installed to significantly increase security in and around the building while reducing the current costs of issuing badges, particularly during major events (US\$170,000).
 - (c) Security of access to the building should be upgraded through the installation of central locking systems activated by badges on all external doors to limit direct access to authorized staff and constituents (US\$460,000).
 - (d) Screening equipment for external visitors (metal detectors and X-ray scanners) should be temporarily placed in the R2 North area of the building and eventually transferred to the visitor reception centre (US\$110,000).
 - (e) Construction of the perimeter wall and fence (US\$4 million). The immediate and longer-term benefits resulting from the construction of a perimeter wall and fence are considerable since this measure alone would prevent the need for other interim security measures which would be costly and only partially mitigate the high security risk. The interim measures are estimated at a cost of US\$2.65 million and include: addressing the high and uncontrollable risk of intrusion resulting from the open nature of the parking areas by installing shutters and fences at an estimated cost of US\$2 million; renovating the control centre, which constitutes the nerve centre of all security operations and systems coordination, estimated at US\$600,000; and providing external protection from unauthorized vehicular intrusion in proximity to the glazed facade of the offices and spaces in R1 and R2 North, estimated at US\$50,000.
 - (f) Construction, fit-out and provision of equipment for a visitor reception centre, including essential lighting, cabling and electrical works. Phase 1 would limit the fit-out of the reception centre to the ground floor at a cost of US\$4.8 million, with the upper floor fit-out being undertaken in phase 2.
 - (g) Installation of identification and detection devices, including a minimum of video surveillance equipment, basic access control and intrusion detection systems, and partial integration into the functions of the control centre (US\$600,000).
 - (h) Support for technical installations, including only technical connectivity between the exterior installations and the main building, with limited ducting (US\$1.2 million). Installation of lighting fixtures and poles would be deferred to phase 2.
 - (i) Layout of pathways, gatehouses and rehabilitation of local fauna. No vegetation measures are foreseen in this phase. Access control and a gatehouse installation at the Appia exit would be replaced by an automated sliding gate (US\$2.5 million). Construction of the Appia gatehouse and infrastructure for the screening of delivery vehicles at the main entrance would be deferred to phase 2.
 - (j) Demolition works of some of the current gatehouses and other installations, disposal and waste treatment, and disposal of the debris (US\$350,000).
- 31.** Should the Governing Body not agree to the requested allocation for 2020–21, measures (a)–(d) above should still be implemented as a matter of urgency. Assuming a similar level of funding of ILO security operations in 2020–21 to that of the current

biennium, resources to fund these measures would be sought through internal adjustments within the ILO security budget, coupled with a review of the current cost sharing of security allocations with the regions. The cost of these measures is estimated at some US\$850,000.

Proposed way forward

32. The Director-General considers that, in view of the considerable level of funding required for a one-off investment to establish a comprehensive security perimeter and the need to reduce the level of vulnerability of ILO headquarters, the Office's immediate security needs would be best met by a phased implementation of a comprehensive security plan as described in paragraphs 29 and 30. The Director-General's Programme and Budget proposals for 2020–21 include a provision of US\$10 million for the first phase. Engagement will continue with the Government of the host country regarding a potential financial contribution of CHF4 million and coordination of the implementation of the security plan. The remaining security measures would be implemented at a later stage as outlined in Appendix II.

Draft decision

33. *Subject to the availability of funding, the Governing Body:*
- (a) endorsed the comprehensive security plan with an estimated total cost of US\$25 million;*
 - (b) supported the phased approach involving implementation over two biennia;*
 - (c) requested the Director-General to continue to engage with the Government of the host country regarding a potential financial contribution and coordination of the implementation of the security plan.*

Appendix I

Phase 2 scope and cost estimates

1. This appendix constitutes a compilation of information previously reported to the Governing Body on the scope of the work and its costing and schedules for phase 2 of the headquarters renovation project.
2. The full scope of the project for the headquarters building was initially endorsed by the Governing Body as part of the comprehensive plan for its renovation in November 2010. The decision of the Governing Body at that time, having taken account of the financial implications, authorized the Director-General to commence phase 1 of the project.
3. As preparatory studies were undertaken, the scope of phase 1 was adapted to remain within the available resources. It was, however, always understood that the objective was to complete the entire project as evidenced by Governing Body decisions of March and November 2014, encouraging the Director-General to explore options for additional financing to enable the full scope of the project to be realized.¹
4. It should be recalled that the estimated cost of the works, of which the Governing Body was informed, for phase 2 of the project (the full renovation of the lower floors of the building, including the Conference centre) was based on July 2014 estimates following extensive architectural and engineering studies. The estimates were prepared as part of the preparatory work for the complete project. As the Governing Body was previously informed,² the final cost would vary depending on the eventual commencement date of phase 2, any interruption in project activities between phases, any revised sequencing of the works and a competitive tendering process. Given the expense involved in updating these estimates and pending further details on financing phase 2, it has been considered prudent to defer the engagement of external experts to re-examine the studies previously undertaken. The Governing Body will appreciate that the commercial sensitivity of these figures renders it counterproductive for the Office to disclose the breakdown of these estimated costs at this time. However, should members of the Governing Body consider it useful an in-camera presentation could be arranged of the detailed figures according to building cost classification codes.
5. The Governing Body will recall that the different stages of the works were described in general terms in documents presented since its November 2014 session and that at its March 2016 session the phase 2 works were described in more detail. The document submitted to the March 2016 session³ notably specified that the work would be done in three main phases, each further divided into three parts. The document stated that given the need to maximize the operational capacity during the renovation and minimize any costs of renting external facilities the works were provisionally planned over a five-year period. A summary breakdown of the estimated cost at that time of CHF120 million was appended to that document. An informal market-wide inquiry carried out in late 2016 by the current general contractor confirmed the order of magnitude of the estimates from 2014 that have formed the basis of presentations to the Governing Body.

¹ [GB.320/PFA/5\(Rev.\)](#).

² [GB.332/PFA/3](#).

³ [GB.326/PFA/3](#).

6. The remaining, unfunded, renovation works are described as follows:
- (a) **Conference centre** (CHF52.4 million):
 - (i) full renovation of rooms II, III, IV, V, VIII, IX and the Governing Body room, excluding furniture but including all lighting, air handling units and building management controls;
 - (ii) the interpreters' booths in the abovementioned conference rooms will be widened and renovated to meet agreed ISO-based standards;
 - (iii) renovation of the colonnade (replace single glazed windows with double glazing and update lighting);
 - (iv) renovation of offices, in keeping with safety, comfort and quality standards defined for the main building;
 - (v) renovation of the library infrastructure and finishes; and
 - (vi) renovation and fire safety code compliance works, other than the large bay window emergency exits, in the conference rooms.
 - (b) **General services** (CHF56.4 million):
 - (i) full renovation of the general services areas, excluding the restaurant and the recently renovated areas included in the Health Services Unit (HSU) and the Department of Communication and Public Information (DCOMM) project (offices on R1 and M3, and the medical services on R3);
 - (ii) replacement of the glazing for the M3 offices;
 - (iii) replacement of the large bay windows in the restaurant area (R2);
 - (iv) works on the remaining elevators;
 - (v) further treatment of exposed concrete;
 - (vi) redistribution and fire compartmentalization of the archive room (R2);
 - (vii) renovation of offices, in keeping with safety, comfort and quality standards defined for the main building; and
 - (viii) renovation of the loading bays, storage facilities and associated logistical areas in keeping with necessary safety and quality standards.
 - (c) **Parking** (CHF11.2 million):
 - (i) implementation of code-compliant fire safety in the car parks;
 - (ii) removal of storage areas;
 - (iii) increased signage;
 - (iv) installation of sprinklers;
 - (v) additional fire compartmentalization;
 - (vi) additional evacuation stairways; and
 - (vii) replacement of remaining Gerber supports.
7. The works described in (a), (b) and (c) above would also address the outstanding safety and health issues and environmental considerations referred to in paragraph 20 of the present document.

8. The cost estimate (in thousands CHF) was further categorized as follows:

Area	Construction	Site installation	Project management	Unforeseen and inflation	Total
Conference centre	43 400	1 100	3 600	4 300	52 400
General services	46 500	1 400	3 800	4 700	56 400
Parking	8 900	800	600	900	11 200
Total	98 800	3 300	8 000	9 900	120 000

9. Following a request from the Governing Body, a further analysis of costs (in thousands CHF) was provided in October 2016 ⁴ after prioritizing the works into two separate sub-phases:

Area	Priority 1	Priority 2	Total
Conference centre	32 400	20 000	52 400
General services	30 100	26 300	56 400
Parking	9 400	1 800	11 200
Total	71 900	48 100	120 000

10. The Governing Body will recall that the Office highlighted that undertaking the works in such a piecemeal manner would increase the total cost, as the buying power would reduce, discounts for large quantities would not be applicable, site installations would have to remain longer or might have to be dismantled and reinstalled at a later date, and the project management team's contracts would have to be extended or might have to be terminated and a new project team be hired subsequently. Furthermore, the terms of reference would require redrafting to fit with any readjusted scope.

11. The concern over increasing costs was re-emphasized in March 2018, ⁵ at the Governing Body's 332nd Session, when the estimates had been reviewed in line with a potential interruption in project continuity and any revised sequencing of the works. The additional cost was estimated at that time at between CHF4.7 million and CHF11.1 million. The Office had analysed the estimated cost impact of the two approaches with two different start dates. The estimated costs and completion dates were presented as follows:

Commencement of phase 2	Initial approach	Sequential priorities
At the conclusion of phase 1 (2019)	CHF124.7 million End 2024	CHF128.0 million End 2028
Following potential disposal of land (2021)	CHF128.9 million Mid-2027	CHF131.1 million Mid-2031

12. The Office has since been informed by the local authorities, that any delay of more than 18 months between the two phases would lead to the Office having to file a new permit request, which in turn could lead to additional costs of some CHF3 million to prepare and redraft the necessary documentation and all the architectural and engineering interactions required with the authorities.

⁴ [GB.328/PFA/3](#).

⁵ [GB.332/PFA/3](#).

13. What is clear to the Office is that, as with any renovation project, costs will only increase over time. These increases will be greater for the ILO due to the break in project continuity. Given the information already provided on phase 2 and the explanations above, the Office considers it uneconomical to undertake additional cost studies until further guidance is provided on the funding of phase 2 and a potential start date is defined. The estimated cost of a further detailed, certified and costed project proposal is estimated at some CHF750,000.

14. Any future cost estimate would take into account additional costs associated with the delayed commencement date, such as lost economies of scale through undertaking the work piecemeal, inflation, worksite remobilization, any redesign and engineering costs resulting from new standards or regulations and the associated project management costs. These will be partially offset by the urgent works that have already been required to be carried out from maintenance provisions in the regular budget,⁶ such as the sprinklers in the P3-level car park, the renovation of the Gerber joints, and any works completed and financed from savings from phase 1.

⁶ As agreed in March 2016 ([GB.326/PFA/3](#), para. 14).

Appendix II

Second stage of security measures (2022–23)

1. The security measures described below build on the priority actions planned in the first phase of the measures to be implemented during the 2020–21 biennium, as outlined in paragraph 30 of this document.
2. With these measures in place, the ILO headquarters building would have a fully operational security perimeter, including all facilities and technical installations required to make it fully compliant with the minimum security standards prescribed by the UNDSS.
3. The measures to be implemented are listed according to their degree of priority.

Security measures	Cost (in US\$)	Year	Priority	Impact
Finalization of outdoor video surveillance and detection systems on the perimeter. Upgrading of access control systems. Full integration of these systems into the functions of the control centre.	600 000	2022–23	1	Installation of video cameras and intrusion detection systems on the perimeter will enable the control centre to take appropriate action in the event of any threat to persons or property. It will contribute towards drastically reducing the level of vulnerability of the building.
Installation of outdoor lighting fixtures and poles.	2.3 million	2022–23	1	Installation of a lighting system along the perimeter and internal pathways will optimize video surveillance of the area, having a deterrent effect and reducing perimeter vulnerability to a very low level.
Finalization of the first floor of the visitor reception centre, including supplementary lighting, cabling, electricity works and equipment.	2.8 million	2022–23	2	These installations will make the visitor reception centre fully operational with space for staff training in a security-compliant area on its first floor, replacing the current premises.
Completion of the infrastructure for screening of trucks at the main entrance, construction of the Appia gatehouse, and rehabilitation of local fauna.	5.3 million	2022–23	2	Completion of the security screening area at the main entrance with a dedicated checkpoint to screen all trucks entering the compound, as well as completion of access control at the Appia exit point. Rehabilitation of fauna in compliance with local and ILO environmental policy.
Total	11 million			