

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Twenty-second Session

PROPOSED PLANS FOR THE IOM HEADQUARTERS BUILDING

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Background

1. The Headquarters building is a triangular five-storey structure of 5,500 m² located at 17 route des Morillons in Grand Saconnex, Geneva, Switzerland. It was constructed 35 years ago, in 1983, and was fully occupied by May 1984. The building was financed through an interest-free mortgage of CHF 18 million taken out by the Organization from the Government of Switzerland. The loan is being repaid over a 50-year period that will end in 2033.
2. The Headquarters building is currently occupied by approximately 260 staff and there is approximately 8.2 m² of space per person. The building has a meeting room with a capacity of about 100 people if the seats are arranged in “theatre style” rows. If set up in a meeting layout with tables, it can accommodate about 40 people. The cafeteria also seats about 40 people.
3. Envisaging further growth in the Organization’s work, the Administration embarked on a delocalization exercise more than 10 years ago, in consultation with Member States. As a result, back office support functions were transferred from Headquarters in Geneva to lower-cost locations, namely Manila and Panama City, where the Administrative Centres were established. This allowed the Organization to contain the costs associated with its growth and at the same time reduce pressure on office space at Headquarters.
4. Evolving migration patterns and the increasing needs of governments in terms of capacity-building and technical support on migration management and policy development to guide the global discourse on migration has inevitably resulted in the need to strengthen the Organization’s policy and oversight functions at Headquarters. The number of staff members working on policy matters and global programmes has therefore increased. More than ever before, migration has become a key issue in global discussions and the need for additional space for meetings, dialogue, conferences and communication has never been greater. The Administration has consistently tried to optimize occupancy in the Headquarters building and has rented additional office space for about 190 staff in the Annex building situated next to the IOM Headquarters building and in the World Council of Churches building situated at 1 route des Morillons.
5. In the light of the continuing and expected future growth and complexity of the Organization’s operations, it has become increasingly impossible to adequately accommodate all staff in the current setting. It is envisaged that the total number of staff based at Headquarters will increase to approximately 600 in the coming years, out of a total global workforce of approximately 11,000.
6. Security continues to be a key challenge. Although the Administration has made efforts to enhance and strengthen security, there was an office break-in on 6 December 2017, during which a number of offices were vandalized and items were stolen.
7. The building has never been refurbished and a substantial renovation is needed, in line with industry standards for such structures, including the installation of enhanced security measures. This is becoming more problematic as time passes and the condition of the building continues to deteriorate and staff safety and health considerations become more challenging.

Review and consultations

8. To explore ways of addressing the office space problem, the Administration initiated discussions with the Swiss authorities in October 2015 and a technical working group was formed,

comprising representatives of IOM and the host country at the expert level. In May 2016, two consultancy firms – urbanité(s) and Tekhne – were contracted to review possible options, in close consultation with the Administration. Initial discussions focused on the renovation of the existing Headquarters building, but the assessment revealed that the design of the building restricted any major renovation opportunities and that it would be difficult to upgrade the building sufficiently to provide the increased number of workstations required safely and efficiently. Therefore, in May 2017, the demolition of the existing building and the construction of a new one was also considered.

9. At the Nineteenth Session of the Standing Committee on Programmes and Finance in November 2016, the Administration presented document S/19/8 on information on plans for the Headquarters building, which explained that IOM had approached the Government of the host country to review options for addressing the space issue, including the renovation and expansion of the present facility or the construction of a new building tailored to IOM's requirements. At the Twenty-first Session of the Standing Committee in October 2017, the Administration explained that the work of the technical working group was ongoing and that a report would be presented in due course.

10. The technical working group has completed its work and has submitted a report to the Administration. The cost of the assessments, totalling CHF 101,700, was covered by the Swiss authorities and IOM, as follows:

- (a) The Government of Switzerland, through the Building Foundation for International Organizations (FIPOI), paid CHF 71,304 for the study on the different options.
- (a) IOM paid CHF 30,400 for the study on the possibility of demolition and construction.

11. Swiss parliamentarians representing the relevant sub-committee of the Finance Committee of the National Council visited IOM on 25 January 2017 to evaluate the Organization's requirements. In addition, on 1 June 2018, the Director General met with the Permanent Representative of Switzerland to the United Nations Office and other international organizations in Geneva to discuss the Administration's intentions and to seek guidance in that respect.

12. The Administration prefers to maintain the current location of the Headquarters building due to its strategic position and proximity to the United Nations Office at Geneva and partner agencies. Moreover, the current location is well served by public transport, which will support the implementation of a mobility plan as part of the Organization's efforts to protect the environment. Although considered in the preliminary study, acquiring a new building in a different location was not deemed to be a viable option.

Options for consideration

13. On 3 November 2017, the consultancy firms presented the five options outlined below to the technical working group. Following consideration of the different options, consensus emerged that, despite being a more expensive option, the demolition of the current IOM building and construction of a new one would offer more benefits and prove to be cost-effective in the long term.

Financial comparison

Option	Estimated cost (CHF)	Observations
Option 1: Renovation + three additional floors based on the current building configuration	31 560 000	Requires ongoing costly maintenance
Option 2: Partial renovation + extension	34 920 000	Requires ongoing costly maintenance
Option 3: Partial renovation + extension + two additional floors	39 120 000	Requires ongoing costly maintenance
Option 4: Partial renovation + Annex rental	34 270 000	Requires ongoing costly maintenance. Not feasible option
Option 5: Demolition of existing building + construction of new building	41 660 000	Fully optimized* and cost-effective

* The term “optimized” refers to the level of conformity with the Swiss requirements for the amount of space available per person in office buildings.

14. The construction option offers many advantages over renovating the current building, which, as already mentioned, would provide very limited scope to optimize the use of existing space. Extension and renovation would only partially respond to the Organization’s needs and could be considered as a short-term solution. Construction of a new building would allow the use of the latest construction technologies and the installation of smart security measures, which would significantly improve on-site safety and provide a secure working environment. Moreover, energy conservation and ensuring a sustainable and environmentally friendly working space would be among the key criteria for the design of any new building. Other advantages of the construction option include:

- (b) A rectangular building configuration – as opposed to the current triangular one – which would enhance space optimization and internal layout possibilities.
- (c) Modern construction techniques, including in terms of ventilation and insulation, would ensure better working conditions for IOM staff and ensure their safety.
- (d) A new building with conference facilities would enable the Administration to organize some governing body meetings internally instead of renting conference facilities, thereby resulting in significant savings.
- (e) Amortization of the mortgage over an extended period, which offers a better long-term economic plan.
- (f) Easier management of infrastructure and services, as any new building would be completely independent from the adjoining buildings (the Centre Administratif des Morillons (CAM) building at 13 route des Morillons and the Annex building at 15 route des Morillons).
- (g) Lower maintenance and utility costs.

15. It is envisaged that a new building would have space for approximately 600 staff and a conference room with seating for around 300 people.

Clearance from relevant cantonal agencies

16. In conformity with Swiss construction standards, the Administration has sought the opinion of a number of the cantonal agencies whose approval is required for construction, including those dealing with water, the environment, agriculture, urban planning, mobility and real estate, and the commune of Grand Saconnex. Approval by these agencies is essential for any construction project in Geneva. IOM received no objections to its proposal during the consultations.

Financial implications

17. The cost of demolition and reconstruction of the building is estimated to be CHF 41.7 million. This is a preliminary estimate, which would need to be updated to include a provision for project management and construction services costs should Member States request the Administration to pursue the construction option.

18. The annual cost of office space for IOM Headquarters is approximately CHF 2 million, comprising mortgage and running costs for the current Headquarters building of CHF 1,353,760, and around CHF 684,000 for additional rented offices. In addition, approximately CHF 300,000 per year is spent on the organization of the governing body meetings, including the rental of external conference facilities.

19. The Government of Switzerland generally offers an interest-free loan for new construction projects for international organizations, with a maximum repayment period of 50 years. However, any loan for the renovation options would incur interest, as they would not meet the criterion of being a new construction project.

20. With the current estimated cost of CHF 41.7 million, the annual mortgage payments over 50 years would be approximately CHF 834,000. The cost-efficiencies and reductions that would be achieved through the construction of a new building, and the savings that would be made from holding most official meetings on IOM premises, would mean that the current budget could be used to finance a new mortgage over a longer period. All financial considerations related to a new building would be carefully assessed and monitored and reported to Member States throughout the project life cycle.

21. At the beginning of 2018, the remaining mortgage amount on the current Headquarters building is CHF 5,897,628. If it is decided to construct a new building, this will need to be settled, either through a one-off payment or ongoing amortization of the mortgage.

Temporary office and business continuity planning considerations

22. Temporary office relocation would be one of the most critical elements of the project should the construction option be chosen. Different options have been considered, such as renting one building that can accommodate all staff or renting additional office space around Geneva to complement existing rented space. Owing to the complexity associated with the temporary office arrangements, these were not addressed in the preliminary study and therefore are not included in the list of options examined. The Administration would establish an internal team to manage the temporary office relocation process.

23. In addition, it would be equally important to address business continuity planning considerations at the project initiation stage. A working group comprising heads of division and subject matter experts would conduct an in-depth analysis to develop a holistic business continuity plan to address potential risks related to operations, IT, human resources, security and finance. A back-up plan for critical operating systems and infrastructure, such as central IT servers, would need to be put in place and validated.

Next steps

24. Subject to approval by Member States, a number of planning initiatives would need to be undertaken before construction works could start. Some of the next steps are listed below:

- (a) Initiate formalities for a mortgage application to the Swiss authorities, as this would have to go through a formal parliamentary approval process.
- (b) Establish a consultancy team composed of construction experts to provide guidance to the Administration.
- (c) Call for expressions of interest for the project.
- (d) Analyse the needs of the Organization in order to develop a temporary relocation plan for the construction period.

Request for approval

25. An application for a mortgage from the Government of Switzerland would have to be submitted through the Permanent Mission of Switzerland to the United Nations and other international organizations in Geneva. Prior to submission for consideration by the Swiss parliament, such applications undergo a rigorous pre-approval process, being considered by a number of cantonal agencies. This could take up to two years. The process includes a thorough study by a team of experts, which is funded by the Swiss Government. The results of the study are included as part of the mortgage application to establish the precise cost of the construction project. The Administration would be actively engaged in the assessment, and a temporary relocation plan, taking into account business continuity and critical infrastructure requirements, would need to be established. The mortgage application should also show some financial commitment by the Organization. Therefore, the Organization would commit to financing the relocation phase and ensure cost-efficiencies throughout the process.

26. Based on the initial work of the technical working group and mindful of the time required, the Administration seeks the approval of the Standing Committee on Programmes and Finance to submit a mortgage application for consideration by the Government of Switzerland to finance the construction of a new IOM Headquarters building based on the estimated costs of CHF 41.7 million. A draft Council resolution has been prepared by the Administration and is attached as an annex to the present paper. By adopting the draft resolution, the Council would authorize the Administration to pursue arrangements for the construction of a new building. It is proposed that the Standing Committee on Programmes and Finance make a recommendation to the Council that the draft resolution be adopted.

Annex

**DRAFT RESOLUTION ON A PLAN FOR THE
HEADQUARTERS BUILDING**

(Submitted by the Secretariat to the Council
for consideration under item xx of the provisional agenda)

The Council,

Recalling document S/19/8 of 5 October 2016 presented by the Administration to the Standing Committee on Programmes and Finance at its Nineteenth Session informing Member States that IOM had approached the Government of Switzerland to review options for addressing the space issue at Headquarters, and that a technical working group had been formed, comprising representatives of the Organization and the host country at the expert level,

Mindful of the Administration's mention at the Twenty-first Session of the Standing Committee on Programmes and Finance in October 2017 that the technical working group was continuing its work and that a report would be presented in due course,

Noting that the Standing Committee at its Twenty-second Session examined document S/22/11 of 12 June 2018 on the proposed plans for the IOM Headquarters building, and recognized the office space problem at IOM Headquarters,

Also noting that the Standing Committee recommended that the Council approve the proposal made in document S/22/11 of 12 June 2018 that the existing building be demolished and a new building constructed on the same site,

Noting with appreciation the work of the aforementioned technical working group,

Mindful of the financial implications and the clarification provided by the Administration that the interest-free mortgage payments will be covered through savings made by not having to rent additional office space and conference facilities and through future cost-efficiencies,

Bearing in mind the efficiencies to be achieved through new construction technologies, particularly relating to energy conservation and ensuring a sustainable and environmentally friendly working space,

Reaffirming the Member States' commitment to support the Administration in providing an appropriate work environment and suitable facilities for IOM staff working at Headquarters,

Recognizing the various steps that must be undertaken and mindful of the time required for the submission and review of a mortgage application,

Requests the Director General, in consultation with the relevant cantonal agencies, to formulate a construction project and to prepare and submit a mortgage application for consideration by the Swiss parliament.