



FOURTH ITEM ON THE AGENDA

Building and Accommodation Fund**Premises for the ILO Regional Office
for the Americas (Lima)**

1. The ILO Regional Office for the Americas is located in a residential district of Lima, and was purchased in 1969, at which time it accommodated some 30 officials. Over the years, the number of staff has steadily increased and currently the premises house the Regional Office, the Area Office, the multidisciplinary team for the Andean region and IPEC, with staff totalling approximately 75 officials. Although the premises have been considerably modified over the years to adapt the building to the Office's needs, office space and facilities are no longer adequate. The meeting room can only accommodate 20 persons and, when required, larger facilities have to be rented at considerable cost. Electrical equipment and wiring is now obsolete and would require considerable investment to meet modern standards. Parking facilities are inadequate and the current temporary arrangements, which involve the rental of parking spaces, are unlikely to continue.
2. The immediate needs of the Regional Office have been assessed at 30 additional offices, a conference room and 80 parking spaces. A recent study has shown that the cost of renting such facilities would be in the range of US\$170,000-210,000 per annum. As far as future requirements are concerned, more office space will be required for additional staff including project staff financed from extra-budgetary sources and staff associated with functions which are to be decentralized to the region. It is estimated that the total number of staff in the Lima Regional Office, including MDTs, could grow from the current 75 to approximately 125 over the next two biennia.
3. The inadequacy of the present premises prompted the consideration of a number of possible solutions, and an independent consultant was commissioned to conduct an extensive survey to identify suitable alternative sites in Lima. Existing buildings were considered, but these were found to be too expensive and were not suitable in terms of layout and location. The construction of a new building on the present site was also considered, but this was found to involve several drawbacks. These include:
 - (a) high costs associated with moving to temporary rented offices together with the considerable disruption of the Regional Office's activities while the new premises were being constructed;
 - (b) improving parking facilities on the present site would be extremely costly as these would have to be constructed underground;

- (c) an elevated expressway, which is currently under construction in Lima, will pass very close to the present office location. Although the Lima municipality has indicated that some area preservation is envisaged, the expressway will adversely affect access to the present site; and
 - (d) the latest zoning regulations will severely limit the potential for future expansion on the present site.
4. Under these circumstances, the Director-General considers that the Office's requirements would be best met by the construction of new purpose-built premises, on a suitable site, which would be designed to provide the required space and facilities, and would allow for possible future expansion.
 5. A possible site has been identified which would meet the Office's requirements. It is located in the same district of Lima as the current premises and offers easy access to all government departments and to the offices of other international agencies. An opportunity has arisen to purchase this land for approximately US\$1.1 million, which is considered to be favourable by the consultant; the Director-General therefore considers it prudent to proceed with the purchase as soon as possible so as not to miss this opportunity.
 6. The construction cost for the new building has been estimated at approximately US\$1.75-2 million. It is also estimated that the new building could be constructed within 18-24 months. The cost of purchasing the land will be largely offset by the sale of the present ILO property the value of which has recently been assessed at some US\$1 million.
 7. As of 31 December 2001, the balance available on the Building and Accommodation Fund amounted to US\$3.9 million¹ (equivalent to 6.6 million Swiss francs at the market rate of 1.70 Swiss francs to the US dollar).
 8. Should the Governing Body decide to adopt the proposals put forward in this paper, it is suggested that a building subcommittee of the PFAC be appointed so that it may meet towards the beginning of the Governing Body's 285th Session in November 2002 in order to make recommendations concerning the construction plans and cost estimates for the Regional Office in Lima. This will enable this Committee and the Governing Body to examine the plans at the same session.
 9. *The Committee may therefore wish to recommend that the Governing Body:*
 - (a) *agree to the proposal to purchase land for the construction of a building to house the ILO Regional Office for the Americas, in Lima, and agree that the cost, which is estimated at US\$1.1 million, be charged to the Building and Accommodation Fund;*
 - (b) *approve in principle the preparation of plans and cost estimates relating to the construction of a building to house the ILO Regional Office for the Americas, in Lima; and*

¹ This excludes an amount of US\$2.5 million received from the company responsible for maintaining the headquarters building's technical installations and set aside exclusively for this purpose by a resolution of the Conference in June 1994.

- (c) agree that the cost of construction of a building to house the ILO Regional Office for the Americas in Lima, estimated at approximately US\$1.75-2 million, be charged to the Building and Accommodation Fund.*

Geneva, 7 February 2002.

Point for decision: Paragraph 9.