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| **Plenipotentiary Conference (PP-22) Bucharest, 26 September – 14 October 2022** |  |
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| PLENARY MEETING | **Addendum 2 to Document 19-E** |
|  | **5 September 2022** |
|  | **Original: English** |
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| Canada/United States of America | |
| Proposals for the work of the Conference | |
| Proposal to modify Resolution 212: The Union's future headquarters premises | |
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**Abstract:**

As outlined in the progress report on the Union’s Headquarters premises project (Document [PP-22/62](https://www.itu.int/md/S22-PP-C-0062/en)), the ITU has made progress towards implementing Resolution 212, including by obtaining the host country loan, securing permits, and finalizing tender documentation for the construction works of the new building. The Member State Advisory Group has met regularly to review the project’s progress and provide guidance, particularly on issues that directly affect the scope, cost and time line, such as through the risk register.

Since the project has been initiated, the COVD-19 pandemic has resulted in both increased construction costs as well as significant changes to global working environments. While there has been some analysis of the impact of this evolving environment on the new building project, there still exists financial risk to the Union due to cost over-runs associated with the new building, including through addressing indirect costs associated with ensuring business continuity during the transition period, including impact on the availability of conference and meeting space.

The United States and Canada propose modifications to Resolution 212 to allow for a more thorough review of the new building project, including costs and potential risks to ensure sufficient understanding by Member States of the impact on the long-term financial stability of the Union.

MOD CAN/USA/19A2/1

RESOLUTION 212 (REv. Bucharest, 2022)

The Union's future headquarters premises

The Plenipotentiary Conference of the International Telecommunication Union (Bucharest, 2022),

recalling

*a)* Resolution 212 (Dubai, 2018) which authorized the construction of a new headquarters building;

*b)* Resolution 194 (Busan, 2014) of the Plenipotentiary Conference, which authorized the ITU Council to establish a Council Working Group on options for the Union's headquarters premises over the long term (CWG-HQP);

*c)* that CWG-HQP examined the status of headquarters premises of the Union, analysed options for prudent treatment of the premises into the long-term future, and submitted a recommendation to the ordinary session of the Council in 2016;

*d)* that the ordinary session of the Council in 2016 accepted the recommendation of CWG-HQP and approved Council Decision 588, documenting its decision, *inter alia*:

i) to replace the Varembé building by a new construction that would also include the offices and facilities of the Tower building, and complement the Montbrillant building which would be retained and refurbished;

ii) to establish an advisory board of Member States[[1]](#footnote-1)1 to provide independent and impartial advice on the project to the Council and the Secretary-General;

iii) to authorize a maximum budget for total project costs before sale of the Tower of CHF 140 million and an additional contingency fund of CHF 7 million to be used, if necessary, for unforeseen cost overruns;

iv) to instruct the Secretary-General to request an interest-free loan of CHF 150 million from the host country, repayable over 50 years beginning from the first occupation of the new building;

v) to offset total final project costs by applying all proceeds from the sale of the Tower to existing loans on assets that are to be disposed of, to the necessary costs associated with the sale, and to reduce to the maximum the outstanding amount of the loan;

*e)* that the Independent Management Advisory Committee advised, in its Recommendation 13/2016, that ITU consider the benefits of dedicated internal and external project- and risk-management expertise for this project,

observing

that, as part of the project governance structure, the Secretary-General has created a liaison committee between the ITU secretariat and representatives of the Swiss administrative organs, including representatives of the Canton of Geneva, the Swiss Confederation and the Foundation for Buildings for International Organizations (FIPOI),

noting

*a)* that during 2017, an ITU headquarters architectural competition was run in two rounds with an international jury that selected a winner, "Christian Dupraz Architects" of Geneva, Switzerland;

*b)* that the 2018 ordinarysession of the Council established a temporary fund for the new building to be financed from budget implementation surpluses and donations;

c) that, as of 16 November 2018, sponsorship of CHF 10 million and CHF 5 million has been generously committed by Saudi Arabia and the United Arab Emirates, respectively, and a donation of USD 100 000 has been generously contributed by the Czech Republic;

*d)* that, consequently, the principal conference room will be named the Saudi Arabia Room, the second principal conference room will be named Sheik Zayed Room, and the Czech Republic’s donation will be recognized at a prominent place in the new building,

recognizing

the need to involve ITU Member States in decisions regarding construction of the Union's future headquarters, given the significant and long-term financial implications for the Union,

resolves

1 that the new Headquarters building be constructed in order to provide the premises and facilities necessary to meet the Union's requirements in the long term in accordance with Council Decision 588 (2016), Council Decision 619 and other relevant Council decisions;

2 that the project will be financed primarily by the loan indicated in *recalling c)* iv)above and the amount of the loan shall not exceed this value;

3 that the COVID-19 pandemic, which has resulted in increasing construction costs and changes in working practices worldwide, to include increased telework options for the entire United Nations Organization, has caused a need to re-examine the project and project financing, as well as the ITU’s business continuity planning and telework options, noting that the increased costs make the project and loan more difficult to finance and have resulted in significant indirect costs and potential long-term financial implications for the Union;

4 that the project financing can be supplemented by the sponsorships and donation mentioned above, any subsequent sponsorships for the mutually agreed purposes as specified by the Council and the temporary fund established by the Council also mentioned above;

5 to continue MSAG, which should in general meet quarterly to review the project's progress and provide guidance, particularly on issues that directly affect the scope, the cost and the timeline,

instructs the ITU Council

to make all the administrative and financial arrangements and take the decisions necessary to facilitate the implementation of this resolution,

instructs the Member States Advisory Group

to continue to provide advice to the Secretary-General and to continue submitting an annual report to the Council,

instructs the Secretary-General

1 to ensure that the detailed design and construction of the building and related installations and facilities are carried out in the most appropriate manner, while taking account of *resolves* 1, 2, 3 and 4 above and relevant Council decisions;

2 to establish a committee, which includes ITU financial, human resources, and legal experts to re-evaluate the design and construction plans of the building, as well ITU business continuity plans and their financial impact, taking account of *resolves* 3;

3 to work closely with MSAG, and with the host country through the Liaison Committee;

4 to organize the building project under efficient management, in a manner fully compliant with ITU financial rules and regulations and ITU procurement rules, and with due regard to cost, functional, smart and sustainable design, and quality;

5 to reinforce the ITU Management Board with external expertise in the field of project and risk management;

6 to hold information meetings at least twice a year with the representatives of permanent missions in Geneva, and to share information with them on a regular basis;

7 to submit a report to the Council by June 2023 with a review of the current plans, projected costs and financial impact, and a proposal on whether or how to proceed with the project;

8 to report to the next plenipotentiary conferences on the implementation of this resolution,

encourages Member States and Sector Members

to follow the example of Saudi Arabia, the United Arab Emirates and the Czech Republic in contributing to the new building.

**Reasons:** To allow for a more thorough review of the new building project, including costs and potential risks to ensure sufficient understanding by Member States of the impact on the long-term financial stability of the Union.

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1. 1 The Council subsequently named this group the Member States Advisory Group (MSAG). [↑](#footnote-ref-1)