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| **Agenda item: ADM 3** | **Document C23/95-E** |
| **27 June 2023** |
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| Contribution from Algeria (People's Democratic Republic of), Saudi Arabia (Kingdom of), Bahrain (Kingdom of), Egypt (Arab Republic of), United Arab Emirates, Kuwait (State of), Morocco (Kingdom of), South Africa (Republic of) and Tunisia | |
| PROPOSALS ON THE UNION’S HEADQUARTERS PREMISES PROJECT | |
| **Purpose**  This contribution discusses the recent developments related to the ITU HQ premises project while shade some lights on related previous activities that started since 2007 which could enrich the discussion on this matter and to take informative and wise decisions. In this regard, we are suggesting actions that could help to resolve the challenges and help the Union to proceed with options that are more feasible.  **Action required by the Council**  The Council is invited **to consider** this contribution and **take the necessary actions** accordingly.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  [Resolution 212](https://www.itu.int/en/council/Documents/basic-texts-2023/RES-212-E.pdf) (Rev. Bucharest, 2022) of the Plenipotentiary Conference, [Document C13/INF/18](https://www.itu.int/md/S13-CL-INF-0018/en), [Document C14/50](https://www.itu.int/md/S14-CL-C-0050/en), [Document C16/7](https://www.itu.int/md/S16-CL-C-0007/en), [Council Decision 588 (C16)](https://www.itu.int/md/S16-CL-C-0124/en), [Document C19-ADD/2,](https://www.itu.int/md/S19-CLADD-C-0002/en) [Document C23/48](https://www.itu.int/md/S23-CL-C-0048/en), [Document C23/7](https://www.itu.int/md/S23-CL-C-0007/en) | |

1. **Overview**

In 2007, the ITU Secretary-General has initiated discussions with the host country (Switzerland) about the need to replace the oldest of the ITU's buildings. This would allow the ITU to continue its work in suitable conditions. In 2012, the Host Country and its technical representative on International Organization buildings (FIPOI) inspected the Varembé building and considered repair and replacement options. FIPOI has reported that replacement is the appropriate technical option. ([Document C13/INF/18](https://www.itu.int/md/S13-CL-INF-0018/en)). In addition, It would be impossible in practice to renovate Varembé to be compliant in accessibility, fire safety, and seismic resistance The Varembé building is old and does not meet current safety and accessibility standards according to the Report by the Secretary-General ([Document C14/50](https://www.itu.int/md/S14-CL-C-0050/en)).

The ITU Plenipotentiary Conference gave the ITU Council as per Resolution 194 (Busan, 2014) permission to establish a Council Working Group on options for the Union's long-term headquarters (CWG-HQP). The CWG-HQP assessed the status of the ITU's headquarters, analyzed the following options for future planning of the premises (Option 1: replacement building, Option 2: renovation of HQ buildings, Option 3: HQ relocation, Option 4 Rental offices). CWG-HQP’s recommendation to the Council's ordinary session in 2016 was to replace the Varembé building. ([Document C16/7](https://www.itu.int/md/S16-CL-C-0007/en)). In 2016, the ordinary session of the Council has accepted the recommendation of CWG-HQP and approved Council [Decision 588](https://www.itu.int/md/S16-CL-C-0124/en), documenting its decision, to replace the Varembé building by a new construction.

The Council Session of 2019 and its Additional Session discussed in detail the Report of the Secretary-General on progress on the Union’s headquarters premises project, the Council agreed to continue with the project and approved the allocated Budget. ([Document C19-ADD/2](https://www.itu.int/md/S19-CLADD-C-0002/en)).

Member States continued the discussions on matters related to the building during the Plenipotentiary Conference 2022 in Bucharest, and agreed as per [Resolution 212 (Rev. Bucharest, 2022)](https://www.itu.int/en/council/Documents/basic-texts-2023/RES-212-E.pdf), that a new headquarters building must be built in order to give the Union the space and facilities it needs to meet its requirements.

1. **Discussions**

Taking into consideration what have been mentioned above:

* The Varembé building is over 60 years old and does not meet current safety and standards besides the high costs of operating and maintenance. The new building will be designed to be sustainable, flexible, and secure. It will also be able to accommodate the ITU's growing membership and staff and the increasing number of meetings and events that are held at the ITU's headquarters.
* If the project is cancelled, sponsorships and donations must be reimbursed immediately and there is no guarantee that any funds will be returned. Financial offers from general contractors are valid until the end of 2023 (If ITU does not sign a contract with a contractor by the end of 2023, the offers will expire, and ITU will have to start the bidding process over again. This will increase costs and delay the project). According to the report by MSAG chairman ([Document C23/48](https://www.itu.int/md/S23-CL-C-0048/en)), “stopping the current project and initiating a new plan, which would involve new design work and its associated costs and another tender process, resulting in a delay of four to five years”.
* There is already partially allocated budget and a detailed schedule of expenses that outlines the annual payments for the project and the ITU can commence the project if the Member States confirm their commitment to financing the remaining funds needed to complete the implementation of the new building project. This is in conformity with ITU rules, regulations and procedure.

1. **Proposal**

As per analyses above and with already partially allocated budget (almost 75% of funds are received and secured) for the project, while considering the schedule of expenses of ITU building and relevant financial regulations and rules, we propose the following.

1. To kindly request the Secretary-General to negotiate with the General Contractor to find ways to reduce the total cost of the increase amounts in the revised budget mentioned in Annex A of the Report on The Union’s Headquarters Premises Project ([Document C23/7](https://www.itu.int/md/S23-CL-C-0007/en)). This may include identifying areas in project which could be replaced by lower cost designs or requirements. These negotiations need to be concluded before September 2023.
2. There are not enough explanations mentioned in [Document C23/7](https://www.itu.int/md/S23-CL-C-0007/en) to justify the figures in revised budget in Annex A and B. For instance, it is not clear why the budget for audiovisual, furniture, fixtures, and equipment have increased from 13,630,000 to 18,355,000. We kindly ask ITU Secretariat to provide, before September 2023, detailed information that help to identify the causes of these increases.
3. To hold Additional Session of Council in September 2023 to discuss the outcomes of (1) and (2) above and to approve additional funding (if any) for the project costs and financing.

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