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## IFAD

### INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

#### Executive Board – Eighty-Sixth Session

Rome, 12-13 December 2005

## REPORT ON THE SPECIAL EXPENDITURE FOR IFAD'S NEW HEADQUARTERS

### I. INTRODUCTION

1. On the recommendation of the Eighty-Second Session of the Executive Board in September 2004, the Governing Council approved at its Twenty-Eighth Session in February 2005 a special expenditure of EUR 3.4 million (USD 4.1 million, at the July 2004 exchange rate) to finance the common areas and facilities of IFAD's new headquarters at Via Paolo di Dono, 44, Rome, for a three-year period covering the financial years 2005 to 2007.

2. The new building, located near IFAD's present headquarters, is being fully renovated as proposed to the Executive Board in document EB 2004/82/R.34. The renovation of the 30 000 square metres of covered area, which includes 18 000 square metres of office space and 12 000 square metres of common support spaces, started on 14 January 2005 and will take approximately two years. The total estimated cost of renovating this area is EUR 25.4 million, indicated to the Executive Board in document EB 2004/82/R.34.

3. The preliminary contract for the lease of the building was signed with Pirelli & C. Real Estate on 22 December 2004. The contract provides for a 12-year lease, renewable for a further 12 years. The rental costs are paid by the Italian Government.

### II. UPDATE ON RENOVATION WORKS

4. Over the past year, extensive renovation work has been carried out on the new premises. The building has been gutted and the facade stripped away. Work is now under way to construct a workplace that meets not only the Fund's changing needs but also the expectations of the staff.

5. Pirelli & C. Real Estate, which is responsible for renovating the office space, has already carried out tenders that are worth EUR 13.5 million, or about 56% of the total budget and are well within budget. Construction work is now focused on rebuilding walls and the facade, and on installing bathroom fixtures and new electrical, plumbing and heating, ventilation and air-conditioning systems.

6. A joint Pirelli-IFAD team has been established to manage the overall project. Its approach is highly transparent with an emphasis on shared decision-making. IFAD has participated in the technical evaluation of all Pirelli's tenders and has had full access to accounts and expenditure records. IFAD is monitoring tenders and construction through the OK Design Group, a technical team of engineers and architects charged with ensuring high-quality construction and compliance with applicable codes.

7. In its recommendations to designers, IFAD encourages the development of a "green" office policy and sustainable energy programme. The programme will provide for energy efficiency, waste reduction, water conservation, improved indoor air quality and lighting, use of durable environmental materials with minimal chemical emissions and healthful building maintenance.

8. IFAD has full responsibility for the design of the building's main common areas, which include the reception/lounge, conference hall, meeting rooms, cafeteria, library and the offices of the President and Vice-President. Pirelli will be responsible for the construction work in these areas.

9. To assign the projects for these areas, an IFAD tender process started in February 2005 and was finalized in June. Following thorough market research, 25 architectural firms were identified and were requested to provide information on their companies and major projects completed. On the basis of this information, five firms were short-listed and asked to present preliminary proposals by the end of May. A technical evaluation panel – comprising architects, engineers, a corporate manager, a project manager and a number of end-users – reviewed the preliminary projects and recommended that the Contracts Review Committee award contracts to four firms, as follows:

- (a) Sartogo Architetti Associati was awarded a contract for the conference hall and the meeting rooms. Piero Sartogo and Nathalie Grenon are two well-known and highly experienced architects whose projects range from the library of the Food and Agriculture Organization of the United Nations and the headquarters of the Medical Association in Rome to the Italian Embassy in Washington, D.C.
- (b) Architect Roberto Liorni was awarded a contract for the cafeteria. After many years of designing public works, he began in 1995 to design hotels, clubs and restaurants. Some of his major works are the Hotel Helvetia and Bristol in Florence, the Gusto Restaurant, the Osteria della Frezza and the refreshment area in Termini Station in Rome.
- (c) Giammetta and Giammetta were awarded a contract for the library. These two young architects initiated their careers working with the well-known architect Massimiliano Fuksas. In 1993, they set up their own firm and have since gained wide recognition thanks to the many awards and competitions they have won. Their projects range from urban planning, architectural design, installations and set design to stands, museum arrangements and exhibitions.
- (d) The firm deStudio was awarded a contract for the reception/lounge and the offices of the President and the Vice-President. Examples of its considerable experience in renovating office interiors include the Pirelli offices in Piazza Parlamento, the Telecom offices and the office of the director of Telecom Italia Sparkle in Rome.

### III. RENOVATION WORKS FINANCED BY THE SPECIAL EXPENDITURE

10. The following table presents the areas and related costs to be covered by the special expenditure and gives the amounts committed as at 30 September 2005 under the special expenditure budget. As can be seen from the table, less than 20% of the budget has been utilized to date. No other commitments are foreseen for the remainder of 2005 from this budget.

## AREAS AND COSTS FINANCED BY THE SPECIAL EXPENDITURE

| Item Description                                                                                                                                                                                                                                                                                                                         | Estimated Costs (EUR) | 2005 Commitments (EUR) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>Conference area</b><br>Approximately 3 000 square metres comprising three meeting rooms, reception/lounge, Internet point, cafe, exhibition/projection area and official dining room.                                                                                                                                                 | 500 000 <sup>1</sup>  |                        |
| <b>Library</b><br>Approximately 370 square metres with stacks for 50 000 items, reading, computer and display areas.                                                                                                                                                                                                                     | 250 000               |                        |
| <b>Cafeteria</b><br>Approximately 750 square metres for kitchen and dining, to serve 400 people with a free-flow service.                                                                                                                                                                                                                | 400 000               |                        |
| <b>Child-care centre</b><br>Approximately 240 square metres with kitchenette, playground and adequate internal space to provide a safe and healthy environment for children.                                                                                                                                                             | 50 000                |                        |
| <b>Reception/lounge area/floor distribution areas</b><br>Approximately 1 500 square metres, including distribution areas per floor. The reception includes a desk, seating space and a display area. The distribution areas include a signage system and landmarks personalized by floor.                                                | 400 000               | 30 000                 |
| <b>Data centre</b><br>Approximately 110 square metres with rack servers, a fire detection and suppression system, a back-up power system, lighting and anti-intrusion system.                                                                                                                                                            | 300 000               |                        |
| <b>LAN system</b><br>The system includes all LAN wiring to provide the library, meeting rooms, conference area and each workstation with computer network.                                                                                                                                                                               | 400 000               |                        |
| <b>Project management and temporary staff</b><br>An IFAD group has been established to work with Pirelli & C. Real Estate in overseeing that projects respond to institutional needs and standards and ensuring that those needs are addressed and reflected in all project phases, from design to bidding and construction.             | 500 000               | 171 000                |
| <b>External architectural and engineering firm</b><br>The firm provides architectural and engineering design and post-design services. In particular, it supports bidding supervision, construction management, on-call advice and preparation of an as-built design package for future facility management.                             | 400 000               | 145 300                |
| <b>Interior design</b><br>Professional services for space arrangement and decorative schemes, including fittings and furniture for the conference area, library, cafeteria, meeting rooms and reception/lounge areas. It also includes decoration schemes for distribution areas and the formulation/implementation of a signage system. | 200 000               | 235 000                |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                             | <b>3 400 000</b>      | <b>581 300</b>         |

<sup>1</sup> Other costs under this item will be covered by the Italian Government.

**IV. VOLUNTARY CONTRIBUTIONS**

11. To lessen the demands made on the special expenditure, IFAD will implement, in early 2006, a resource mobilization strategy with Member States and the private sector to seek voluntary contributions to cover some of the costs of refurbishing the new headquarters' common areas, thereby reducing the associated budget.

12. Such funding by Member States would enhance IFAD's multicultural setting and image. By financing important and highly visible components such as meeting rooms, common areas and staff facilities, Member States will promote international understanding and contribute to building and affirming the global partnership among IFAD's Member States.

