

Document:	<u>GC 32/L.11</u>
Agenda:	<u>14</u>
Date:	<u>16 January 2009</u>
Distribution:	<u>Public</u>
Original:	<u>English</u>

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Final report on the special expenditure for IFAD's new headquarters

Governing Council — Thirty-second Session
Rome, 18-19 February 2009

For: **Information**

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Maria Elisa Pinzón

Acting Director, Administrative Services Division

telephone: +39 06 5459 2492

e-mail: m.pinzon@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra

Governing Bodies Officer

telephone: +39 06 5459 2374

e-mail: d.mcgrenra@ifad.org

Final report on the special expenditure for IFAD's new headquarters

I. Introduction

1. This is the final report on the use of the special expenditure for IFAD's new headquarters at Via Paolo di Dono 44, Rome. It gives an update on construction costs, the lease contract and the building's features; provides a detailed breakdown of expenditure; and highlights the extent to which Member States' voluntary contributions have reduced IFAD's use of special expenditure funds.
2. The special expenditure of EUR 3.4 million was approved by the Governing Council at its twenty-eighth session in February 2005 following the recommendation of the eighty-second session of the Executive Board in September 2004. The special expenditure was to be used to finance the common areas and facilities of the new headquarters over a three-year period covering the financial years 2005 to 2007. During the same session, the Governing Council authorized the President of IFAD to seek and receive voluntary contributions to help finance some of the common support areas.
3. The period for the use of the uncommitted amount of the special expenditure was extended to 31 December 2008 by the Governing Council at its thirty-first session through the adoption of resolution 149/XXXI. The extension was necessary because of a delay in completing the renovation works.

II. Construction costs

4. The total cost of the renovation was EUR 32.2 million (US\$43.7 million). Of this amount, the owner has paid EUR 23.3 million (US\$31.6 million), and IFAD has paid EUR 3.4 million (US\$4.6 million) from the allocation for special expenditure. Under the terms of the Headquarters Agreement, the Italian Government is expected to pay for the security installations and the construction of the conference area and main entrance of the new premises for an amount of EUR 5.5 million (US\$7.5 million).

III. Lease contract

5. On 12 May 2008, IFAD signed a lease contract, which became effective on 1 July 2008. The contract provides for a 12-year lease extendable for a further 12 years. The annual rental cost of EUR 6.3 million (US\$8.5 million) is chargeable to the Italian Government in line with the Headquarters Agreement.

IV. The new headquarters

6. The new headquarters building has 18,000 square metres of office space, 2,000 square metres more than the three previous IFAD buildings together. It accommodates 750 workstations in closed offices and open spaces, and has a total of 13 meeting rooms on the office floors (1-7), eight more than previously. In addition, IFAD now has a 3,000 square metre state-of-the-art conference area on its premises, and more common facilities to provide services to staff and visitors such as the cafeteria, childcare facilities, bookshop, bank, travel agency, medical facilities and visitors' lounges.
7. The move to the new headquarters took place over five weekends in May and June 2008 with minimal disruption to IFAD's operations. The move was the culmination of a four-year project to unite staff under one roof and provide IFAD with not only more space but also space of a considerably higher quality. The relocation was therefore a significant milestone in IFAD's 30 years of operations, marked on 1 June 2008 when the United Nations Secretary-General Ban Ki-moon raised the United Nations flag at the new headquarters in a ceremony with all IFAD staff.

8. Having all IFAD staff under one roof with access to additional facilities and services is contributing significantly to increasing efficiency, productivity and job satisfaction.

V. Use of funds for the special expenditure

9. Table 1 gives details on how funds were used for the special expenditure. In some cases, the budget was overspent; in others, it was underspent: nonetheless, the total amount spent was within the amount budgeted.
10. There were three main reasons for overspending: (i) delays in completing the construction work; (ii) the time needed to obtain permission for extending the conference area; and (iii) modifications to the childcare facility required by the local health authority to conform to current Italian norms. These factors resulted in increased expenditures on 8 of the total 11 expenditure categories.
11. Savings were obtained in other expenditure categories not impacted by construction delays, such as the data centre and the local area network system. These, together with additional savings resulting from a decision to convert the originally planned traditional library into a multimedia and digital information centre allowed funds to be reallocated to other expenditure categories while total expenditure remained within the overall amount approved.

VI. Member States voluntary contributions

12. Several Member States joined Italy in contributing to the refurbishment of the new headquarters by sponsoring meeting rooms with a country theme.
13. Table 2 shows that, as at 31 December 2008, 20 Member States have pledged a total of EUR 0.95 million. Of this amount, seven Member States have already contributed a total of EUR 0.49 million, and two have already contributed in kind. The total amount of voluntary contributions will effectively reduce IFAD's use of the special expenditure funds.
14. Discussions are ongoing with a number of other Member States who have expressed interest in sponsoring a room or a special area in the building and/or its grounds.
15. On 11 July 2008, the Swedish Ambassador and representatives of IKEA, an international retailer, inaugurated the first sponsored area, the childcare facility. They have jointly contributed the facility's furnishings.

Table 1
Use of funds for the special expenditure, 2005-2008
(In euros)

<i>Expenditure category</i>	<i>Amount budgeted</i>	<i>Amount committed/ spent (2005-2008)</i>	<i>Balance</i>
Conference area	500 000	645 370	- 145 370
Approximately 3,000 square metres comprising three conference rooms, reception/lounge, internet point, cafe, exhibition/projection area and official dining room. The funds were used for the purchase and installation of audiovisual equipment, fittings and special furniture for the conference rooms, document desks, official dining room equipment and open areas.			
Library/information centre	200 000	-	200 000
Approximately 370 square metres with stacks for 50,000 items, reading, computers and display areas. The funds were initially budgeted for library furniture and archiving systems. A decision to convert the space into an information centre with access to digital documents freed these funds to be used elsewhere.			
Cafeteria and kitchen	400 000	434 240	- 34 240
Approximately 750 square meters for kitchen and dining area, providing 400 people with a free-flow service. The funds were used for the purchase and installation of the kitchen and cafeteria equipment, furniture and fittings.			
Childcare facility	50 000	113 480	- 63 480
Approximately 240 square metres with kitchenette, playground and adequate internal space to provide a safe and healthy environment for children.			
Reception/lounge area and floor distribution areas	305 000	310 260	- 5 260
Approximately 1,500 square metres, including distribution areas, per floor. The reception area includes a desk, seating space and display area. The distribution areas include an orientation system and landmarks personalized by floor. The funds were used for the reception desk, fittings, flagpoles, some furniture and decorative fixtures.			
Data centre	145 000	40 770	104 230
The funds covered customized engineering and technical services.			
Local area network system	400 000	233 440	166 560
The funds covered software costs for the telephone system, voice data system and technical design fee.			
Interior design of common areas	206 000	252 730	- 46 730
A group of architects designed the common areas of IFAD'S new headquarters. They worked with Pirelli & C. Real Estate to ensure that the headquarters project responded to institutional needs and standards and that those needs were addressed in all project phases, from design to bidding and construction.			
External architectural and engineering firm	352 000	362 930	- 10 930
The firm provided architectural and engineering design and post-design services for the building as a whole. In particular, it provided support for bidding supervision, construction management, on-call advice and supervision of all final testing of the building's systems.			
Project management staff	552 000	659 710	-107 710
The funds were used to finance three staff members (two in the Professional category and one in the General Service category) who were directly involved in implementing the project for a period of four years.			
Offices, meeting rooms and common areas	290 000	334 335	- 44 335
Professional services for space arrangement and decorative schemes, including fittings and furniture for conference, cafeteria, meeting room and reception/lounge areas. Also included is the formulation/implementation of a way-finding system for the entire building.			
Total	3 400 000	3 387 265	12 735

Table 2
Member States' voluntary contributions
 As of 31 December 2008

<i>Member State</i>	<i>Pledged (EUR)</i>	<i>Paid (EUR)</i>	<i>Paid In kind</i>	<i>Total (EUR)</i>
Algeria	-	70 000	-	
Bangladesh	-	40 000	-	
Belgium	-	40 000	-	
China	70 000	-	-	
Community of Portuguese Language Countries (7)	70 000	-	-	
Germany ^a	-	-	100 000	
Ghana	-	70 000	-	
Greece	-	70 000	-	
Kuwait	-	100 000	-	
Madagascar	40 000	-	-	
Pakistan	70 000	-	-	
Qatar	100 000	-	-	
Saudi Arabia	-	100 000	-	
Sweden/IKEA ^b	-	-	10 000	
Total in currency	350 000	490 000		840 000
Total value in kind			110 000	110 000
Grand total				950 000

^a Contribution in kind for the services of an architect and the application of his concept in the room.

^b Contribution in kind, for furnishings of the childcare facility. Estimated value in euro.

