

Real estate: update on the Geneva buildings renovation strategy

Report by the Director-General

1. The Executive Board at its 136th session noted an earlier version of this report,¹ which has been updated and substantially expanded, including the results of the architectural design competition.
2. The report summarizes the history of the project to renovate WHO's buildings in Geneva and describes developments since the Health Assembly adopted decision WHA67(12) in May 2014 as well as the steps being taken to provide the facilities to meet the future needs of the Organization and the estimated costs of the refurbishment.
3. WHO headquarters at Geneva comprises 100 000 square metres of occupied office space distributed between 10 separate buildings. The main building, the product of a design competition won by architect Jean Tschumi, accommodates around half the staff members at headquarters (about 1000 out of a total of 2100). It is widely regarded as a modern architectural masterpiece but needs complete renovation.
4. Since the WHO headquarters building became operational in 1966, nine additional buildings have been constructed. They were designed and built in response to the Organization's increasing need both to undertake additional activities and to respond to public health crises. Seven were constructed as provisional structures and as such did not require compliance with architectural or urban planning guidelines. The WHO/UNAIDS building is the most recent. Inaugurated in 2006 following an international design competition, this and the main building are the only structures on the site that meet modern construction standards.
5. In 2008, the Secretariat prepared a renovation project for the ageing main building that included extensive maintenance and repairs, but during the initial planning phase it became apparent that the proposed approach neither allowed for complete refurbishment nor considered the renovation of all other existing buildings. As a consequence, work began on a site-wide renovation and refurbishment strategy, in close consultation with the Swiss federal authorities and the Canton of Geneva. In 2012, a steering committee with representation from WHO and the Swiss authorities assessed and validated the proposed options.

¹ See summary record of the Executive Board at its 136th session, fourteenth meeting, section 4.

6. In May 2013, the Health Assembly considered four options¹ that had formed the basis for the elaboration of a cost-effective and efficient long-term strategy for the renovation of the buildings on WHO's headquarters site:

- Option 1: construction of a new 1100-desk low-energy, low-maintenance building; demolition of three existing annex buildings; refurbishment of the main building; and sale of three other annex buildings
- Option 2: construction of a new 300-desk temporary building; rental of space for 300 desks externally; renovation of the main building and existing annexes; and demolition of the temporary building at completion
- Option 3: rental of space for 600 desks externally; and refurbishment of the main building and existing annexes
- Option 4: vertical extension of L and M buildings to provide 260 desks; rental of space for 300 desks externally; and floor-by-floor refurbishment of main building and existing annexes.

7. In noting the Secretariat's report, the Health Assembly favoured option 1,² which would provide a site fit for purpose and cost efficient in terms of energy performance and operational management, including repair and maintenance.

8. In order to ensure that the site will be a suitable size, projections were made to incorporate changes in the way the Secretariat is working and technical advancements in building systems. These changes will bring cost efficiencies, but have space implications. The operational requirements proposed increased space in some areas, such as the JW Lee Centre for Strategic Health Operations. Significant improvements also are needed to improve mobility access which is currently substandard.

9. The Swiss federal authorities considered the strategy and agreed in principle to provide 140 million Swiss francs as a 50-year interest-free loan towards the construction of the proposed new building. In February 2014, the Swiss federal authorities approved the release of 14 million Swiss francs, an advance of 10% of the loan, to support the planning phase associated with the construction of the new building.

10. In May 2014, the Health Assembly considered the report of the Programme, Budget and Administration Committee on the update of the Geneva buildings renovation strategy³ and adopted decision WHA67(12) in which, inter alia, it authorized the Director-General to proceed with the initial planning phase of the updated renovation strategy for WHO's buildings in Geneva, including the organization of an architectural competition. It also requested the Director-General to accept the initial interest-free loan of 14 million Swiss francs from the Government of Switzerland, subject to conditions, and to continue to plan the site-wide renovation project. It further requested the Director-General to present to the Sixty-eighth World Health Assembly the selected design for the

¹ Contained in document A66/42.

² See summary record of third meeting of Committee B of the Sixty-sixth World Health Assembly, section 1, document WHA66/2013/REC/3, pp. 215–216.

³ See document A67/61 and summary record of the second meeting of Committee B of the Sixty-seventh World Health Assembly, section 5, document WHA67/2014/REC/3, pp. 256–257.

new building with an outline of the building specifications and a detailed financial update of the entire renovation strategy.

11. An architectural design contest was organized in cooperation with the Foundation for Buildings for International Organizations to select an architect and the design for a new building. The competition defined the scope as an energy-efficient and low-maintenance extension of the WHO headquarters, providing at least 770 work places within a gross floor area between 22 000 and 25 000 m² and underground parking, and foreseeing sufficient space for: a modular conference and meeting space with capacity for 650 participants, a reception/exhibition space, technical installations that support the operational systems of the compound, and sufficient space in the strategic health operations centre to include collaborative work areas and offices.

12. The competition was an anonymous open procedure in two stages by analogy with the procedures for awarding contracts for architectural services laid down by the Swiss Society of Engineers and Architects. Out of more than 250 submissions, 13 candidates were invited to take part and develop their ideas further in a second round. In March 2015, the jury selected as the most appropriate project that presented by Zurich-based architects Berrel Berrel Kräutler AG.

13. The project selected consists of a square nine-storey office tower enveloping an open atrium and permitting plenty of natural daylight to all areas. The chosen building materials comply with the highest Swiss standards of energy performance (Minergie-P standard).

14. The tower will be connected to the main building and have about 8000 m² of technical and support facilities, including a restaurant. The strategic health operations centre will be strategically located at the connection of both buildings. Meeting facilities will be easily accessible on the lower levels of the new building.

15. Over the next few months, in collaboration with the winning architects, the project team will more precisely define the exact location and placement of facilities and fine-tune the costs. This work will also be done in close collaboration with engineers contracted for the renovation in order to assess the implications on refurbishment of the main building.

16. The Table compares the current facilities available in the eight existing provisional buildings with the facilities that are currently expected to be available at the end of the project.

Table. Current and proposed facilities for core services (space in m²)

	Current situation	Remaining after demolition of the temporary buildings	Minimum requirements new building	Projected situation
Offices	29 080	18 666	8 620	27 286
Conference and meeting rooms	4 592	3 519	2 520	6 039
Archives	2 589	996	790	1 786
Printing services/stationary	6 616	4 181	340	4 521
Concessions/restaurant	4 812	1 789	2 070	3 859
Common space	3 764	3 619	500	4 119
Governing body/Strategic health operations centre	1 299	1 182	850	2 032

17. The Secretariat proposed to consolidate the meeting facilities in closer proximity to each other and use a modular concept for the rooms, thereby achieving greater flexibility. This arrangement is more practical when dealing with three buildings than with the 10 buildings but has resulted in the collective space outside the meeting room being considered polyvalent space.

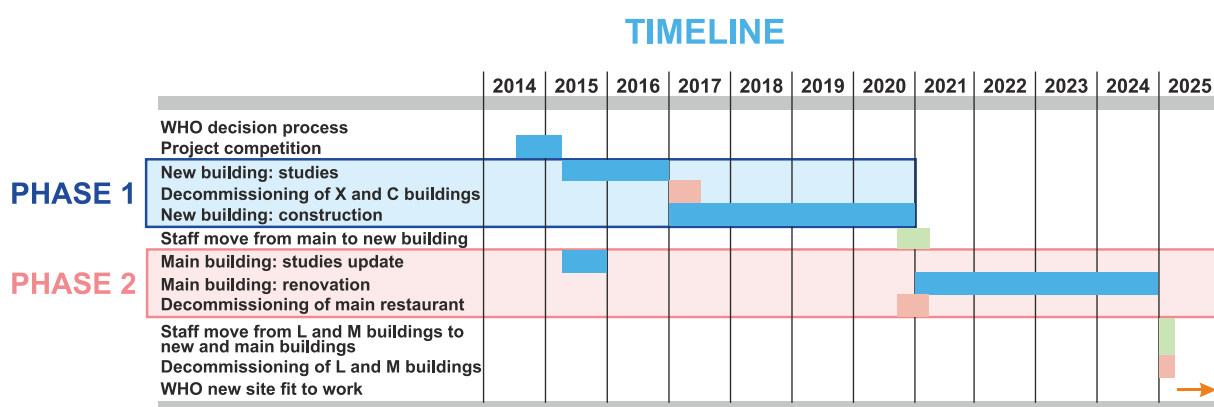
18. The new building and the completion of the renovation of the main building will provide the Organization with its key requirements of energy efficiency, environmental performance, cost-efficient maintenance, security and fire safety. The operating system, supporting three buildings instead of 10, will be located in a new or wholly renovated space requiring a much smaller area.

19. The selected design will facilitate harmonized and integrated support systems, adoption and maintenance of up-to-date standards in facility management (including building information modelling), upgrade of key functions (including provision of the strategic health operations centre with up-to-date technologies and equipment), as well as update of meeting rooms and video-conference facilities.

20. The projected cost savings from the construction of the new building and integration with the main building will be calculated and submitted to the Executive Board at its 138th session in January 2016. Already, it is estimated that energy consumption could be reduced by as much as 70%.

21. Implementation of the renovation strategy will take place in two phases (see Figure 1 for the timeline). Phase 1: the construction of the new building will be organized so as to provide space into which staff members can be relocated before Phase 2, the renovation of the main building. This sequence will mitigate the inherent health and safety risks of construction work in an occupied building, decrease the time and cost of the renovation work, and ensure business continuity. This strategic approach also minimizes the need to renovate the obsolete and inflexible temporary buildings as they will be demolished.

Figure 1. Timeline for implementation of the renovation strategy



COSTS OF THE RENOVATION STRATEGY

Phase 1

22. Construction of the new building was estimated at 140 million Sw. fr. based on an initial costing in 2013 by a firm of architects. This estimate was provided as a guideline for all projects submitted in the architectural competition, and the project team and architects of the winning project consider that the actual construction price will be within the scope of the budget.

Phase 2

23. Complete renovation of the existing main building has been estimated by a firm of engineers to cost 110 million Sw. fr. This figure envisages replacing and optimizing the entire heating, ventilation and air conditioning system, renovating and increasing the energetic performance of the buildings' envelope, and replacing the electricity wiring and sanitary pipes. These costs will be quantified in parallel with the new building studies in order to avoid gaps and duplication.

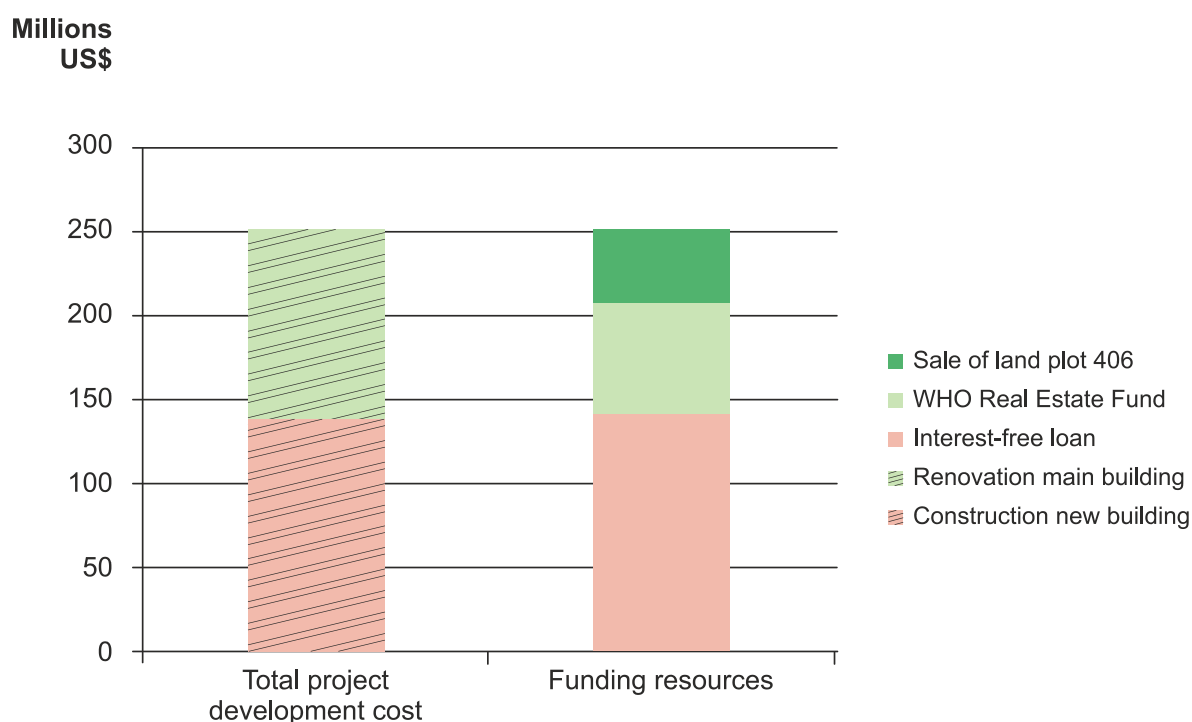
24. The total development cost is estimated at 250 million Sw. fr. (see Figure 2). Given the early stage of the project, this budget is still subject to a contingency of +/-15%.

Proposed financing structure

25. Phase 1 will be completely financed through an interest-free loan from the Host State (Figure 2). The loan, currently agreed in principle at 140 million, will be repayable in equal instalments over a 50-year period. The exact amount of the loan will correspond to the actual construction budget. More precise costs related to the construction of the new building will be defined over the next few months as the selected project is implemented. These figures will be included in the report to the Health Assembly for a final decision in 2016.

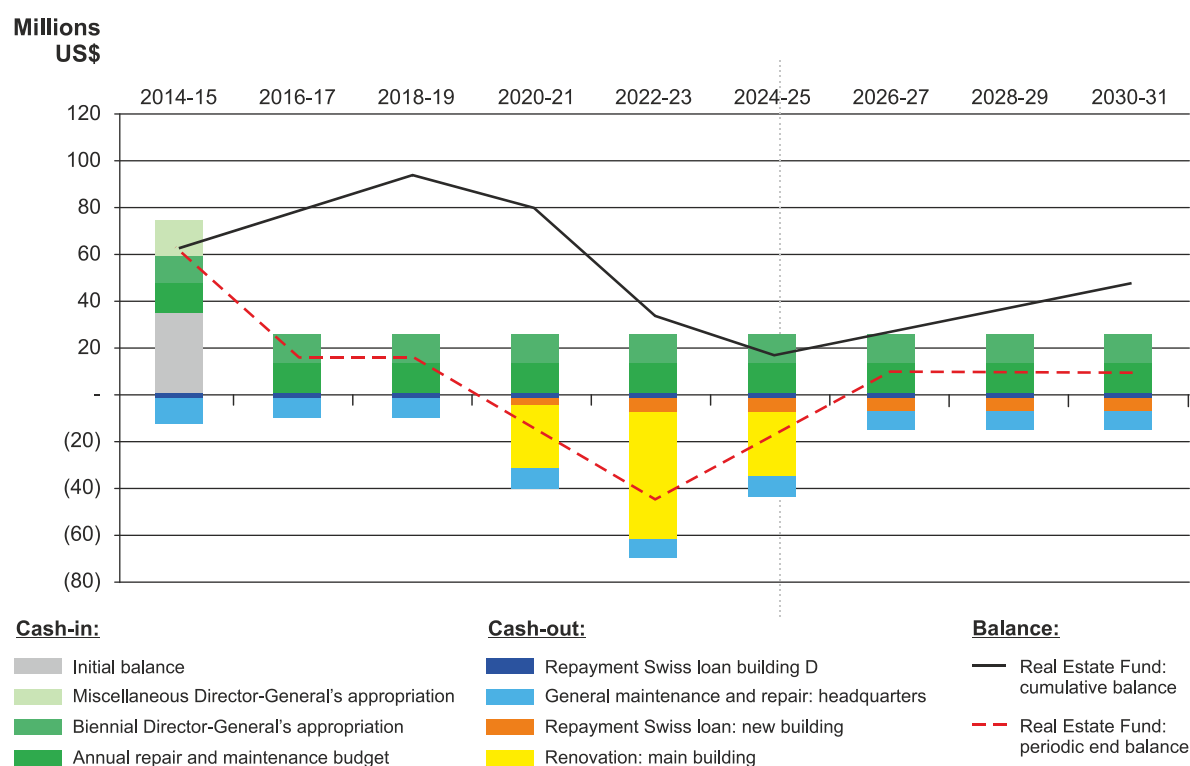
26. Phase 2, the renovation of the existing main building, will be financed from the Real Estate Fund, through the sustainable financing mechanism established through resolution WHA63.7 in 2010 by way of an appropriation of:

- US\$ 10 million made available by the Director-General at the end of each budget period from the Member States' non-assessed income, and
- US\$ 15 million per budget period, corresponding to the real estate component of the post occupancy charge.

Figure 2. Summary of development cost and financing

27. The Real Estate Fund will finance the total renovation cost of the main building pending the sale of the land (plot 406) upon completion of the project (for an estimated 43 million Sw. fr., see Figure 2). Figure 3 demonstrates that the financing mechanism will still enable a biennial sum of US\$ 8 million from the programme budget to be used for the repair and maintenance of all WHO-owned real estates while financing the major renovation works in Geneva.

28. After 2025, the financing of the Real Estate Fund will need to be reassessed, taking into account the revised insured value of properties owned by WHO and the projected needs of other offices within the scope of the Capital Master Plan.

Figure 3. Financing mechanism for renovation of Geneva buildings, 2014–2031

Governance

29. To ensure that maximum benefits are drawn from the relevant experience of other Geneva-based United Nations entities, notably ILO, WIPO, WTO and the United Nations Office at Geneva, the Secretariat continues to work closely with the project teams and participate in regular meetings concerning recent and ongoing construction and renovation projects. This collaboration will be strengthened throughout the life of the project.

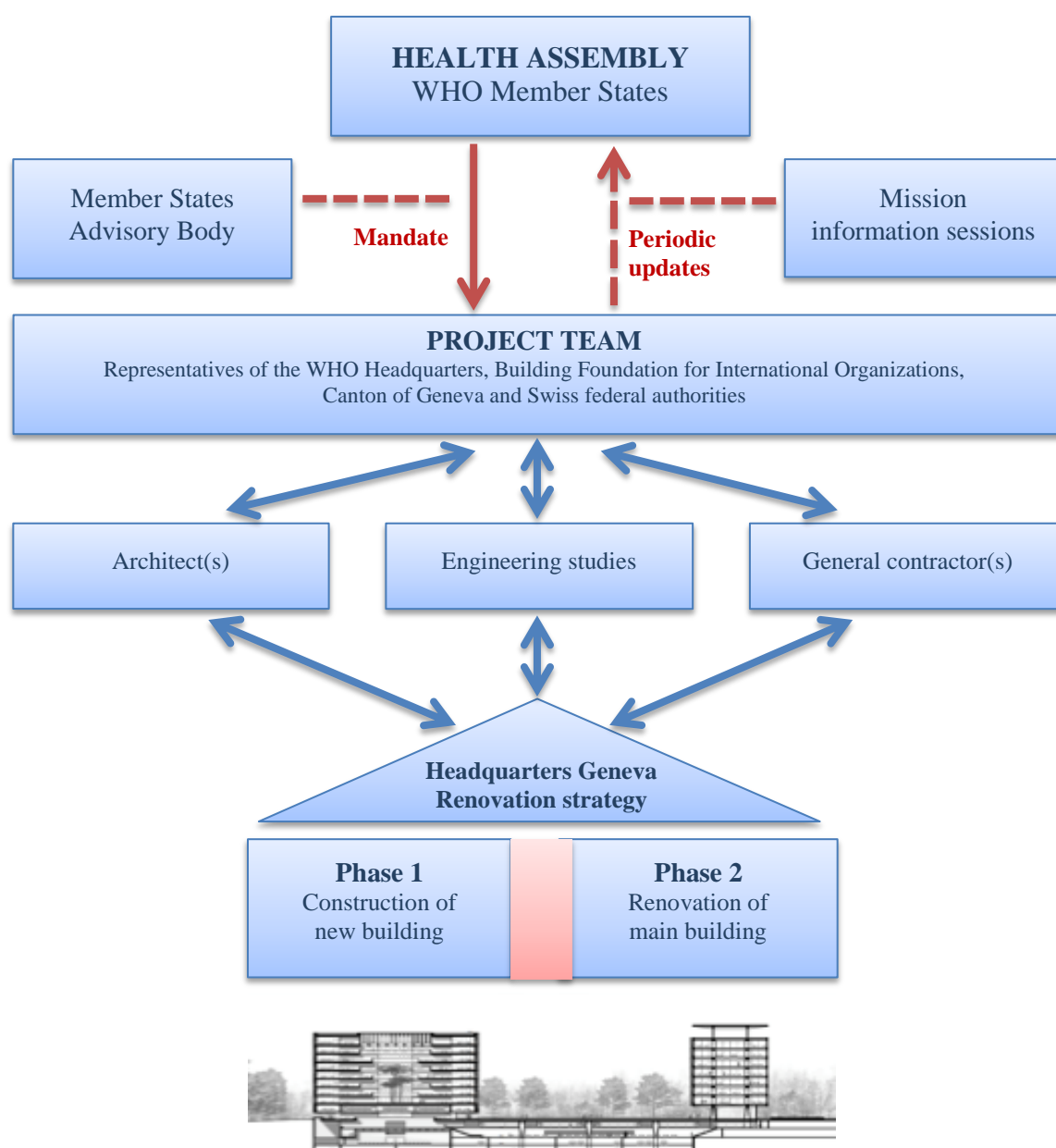
30. Clear lessons learnt from other big projects recently implemented by the international organizations show the need for thorough planning and comprehensive studies during the earliest stages of a project in order to assess the budget and manage the final cost. Such planning is essential, but it must be supported by meticulous oversight and tight controls on project scope, with timely and responsive project management.

31. A project team consisting of representatives from the WHO Secretariat in Geneva and the Swiss administrative organs, including representatives of the Canton of Geneva, the Swiss federal authorities and the Foundation for Buildings for International Organizations will continue, with a direct approach in order to manage and control the cost and timing aspects of the project as efficiently as possible.

32. The project team has been coordinating and contracting the necessary studies to develop this renovation strategy and meet all the requirements pertaining to the headquarters site. In this way it was determined that site-wide comprehensive renovation was the most cost-effective solution, in both the short and long terms, rather than piece-by-piece renovation of the site.

33. As the project enters a critical phase, it is proposed to strengthen the governance model with the introduction of a Member State advisory group, to be established soon after the Sixty-eighth World Health Assembly. The group will comprise one or two regional representatives based in Geneva, nominated through focal points in the respective permanent missions. Terms of reference for the group are being developed. The group will meet on a regular basis to review the project's progress and provide guidance particularly on issues that directly affect the scope, the cost and the timeline. In addition, routine progress reports will be submitted to the Health Assembly and regular briefings will be held for the representatives of permanent missions in Geneva.

Figure 4. Governance structure



34. The governance structure depicted in Figure 4 envisages the project team steering and operating within the project scope and mandate. The team will report on a regular basis on the evolution of the project to the advisory group as well as to the Programme, Budget and Administration Committee, the Executive Board and the Health Assembly, ensuring prompt exchange of information and decision-making.

35. Any significant deviation in the scope of the project or the financing structure, in terms of cost overruns or timings, will be signalled immediately.

ACTION BY THE HEALTH ASSEMBLY

36. The Health Assembly is invited to note this report before the submission of a comprehensive technical and financial report on the renovation strategy to the Executive Board at its 138th session in January 2016. That comprehensive report would provide the basis for the final decision by the Sixty-ninth World Health Assembly.

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