

Brussels, 22 October 2010

**INFORMATION TO
THE EUROPEAN PARLIAMENT AND
THE COUNCIL OF THE EUROPEAN UNION**

Subject: Acquisition of land in Niamey for the construction of a new compound for the European Union Delegation in Niamey, Niger

1. Project description and justification

The Commission envisages purchasing a plot of land in Niamey, Niger, for the future construction of a new delegation compound.

The present delegation premises do not meet the required standards in terms of size, security and functionality. The new plot of land has a size of about 2.2 ha. It is located between the US and the French embassies, a location which offers excellent security conditions. It is sufficiently big to allow the construction of a new office building, a residence and also accommodation for most officials and contract agents. Moreover, it would have a certain reserve for possible additional functions of the delegation in the future, such as consular tasks. The plot is presently owned by the French State. The purchase price is 1.017.460 € payable in two installments in 2010 and 2011.

After the necessary preparatory work a construction project could start in 2012. According to a first estimate a construction of a full compound as described above would amount to about 3,1 million €

2. Current situation

2.1 Office premises

Since 1 August 2002, the Commission has leased premises in a building belonging to the Banque Internationale pour l'Afrique au Niger. The total area of the space occupied is equivalent to more or less 1100 m² for 48 people. This area also includes the meeting rooms, the corridors, the kitchen space, the archives and the toilets. All in all, with around 23 m² per employee, the area available is grossly inadequate. The space available is no longer sufficient to accommodate all of the Commission officials stationed in Niger and the increase in personnel expected to result from the roll-out of the EEAS (political section, Delegation security officer).

The premises do not meet security standards and cannot be readily protected. The Delegation is located on the second and third floors of a building housing a commercial bank, which means that a security perimeter of sufficient scope cannot be established. Access to the bank's car park, behind the building, cannot be controlled by the Delegation. And the recent kidnappings of expatriates in Niger by terrorist groups affiliated to al-Qaeda in the Islamic Maghreb (AQIM) have highlighted the reality of increasing terrorist risks in Niger. A heightened security status for Niger does not seem excluded in the near future.

The offices used in the building do not meet the Commission's health and safety at work standards (in terms of noise, air quality, etc.) Certain officials work in cramped quarters with no access to natural light.

Overall the present premises are not very representative, since they are barely visible from the main road, on the second and third floors of a building housing a commercial bank. A nearby street is home to a number of bars and restaurants in the immediate vicinity of the Delegation. Distinguished visitors (Ambassadors, etc.) have to use the pavement in order to reach the entrance of the Delegation.

An extension would involve major work, to be carried out by the owner of the existing building. It would not, however, resolve the underlying problems of the Delegation's location, the lack of a security perimeter and shared access to the car park.

The annual rent is €55,000.

2.2 The residence of the Head of Delegation

Similarly, the residence of the Head of Delegation, with useful floor space of around 300 m², does not meet the European Commission criteria and standards on image and visibility. There is no reception area separate from the private quarters. The size of the garden is insufficient to hold large receptions. It is located on a dirt track and it is impossible for the cars of distinguished guests to park inside the grounds when they are invited to meetings or receptions at the residence.

The annual rent is €21,000.

2.3 Housing for officials made available by the Commission

In addition to the residence, the Delegation is currently obliged to rent housing for seven officials in Niamey. Additional housing will have to be rented on the planned arrival of a junior expert in delegation (JED) and in the event of an increase in the Delegation's regular staff (establishment of a political section, for example). This accommodation is dispersed in different parts of the town. Bringing together the housing of the Delegation's officials and contract staff within a protected compound would provide significant advantages in terms of security and in the event of evacuation. Notable savings on security arrangements could be made.

The annual rent of housing for officials (excluding the residence of the Head of Delegation) is currently €50,500. To this must be added the reimbursement of rent to 10 contract staff members, representing an annual amount of around €93,000. This housing is covered by the Delegation's security arrangements and equipped with electricity generators provided by the Commission.

The costs of the security arrangements for all of the buildings total around €355,000 per year.

Estimates made on the basis of current expenses for renting the buildings, ensuring their security and the depreciation of the generators indicate that savings of over €335,000 per year

(i.e. around 50% of annual expenses) should be possible if a compound containing the Delegation, the residence and 10 housing units were to be built (see annex).

2.4 Prospecting the market

In these circumstances, the Commission has sought a solution for the Delegation's premises capable of meeting all the rules applying and the requirements of a European Union Delegation.

The property market (buildings and/or land for construction) in Niamey is very limited and not very active. No property development capable of meeting the requirements of the Delegation is under way or planned. Prospecting was therefore focused on the acquisition of a plot of unbuilt land with a view to the subsequent construction of the Delegation's premises.

This communication thus relates specifically to the acquisition of the land. Details regarding the subsequent construction project have been provided for information purposes. A further communication to the budgetary authority is scheduled before a construction contract is signed.

3. Conditions of the project submitted for information

3.1 General information

The land, which belongs to the French Embassy, is located on one of the town's major thoroughfares, *Avenue des Ambassades*, which continues *Boulevard de la République*. It is located between the French Embassy and the US Embassy, in an equivalent setting to other embassies (Chinese, Libyan, Algerian, Nigerian) which are also situated on this road. Niger's main government buildings (Presidency, Prime Minister's Office, Ministry of Foreign Affairs, etc.) are also located on this road and thus very easily accessible.

The security aspect is to a large extent addressed by this plot. A recently built three-metre high protective wall runs around three sides of the land, protected by a row of concertina wire. Its position between the French and US Embassies is also an advantage in the event of a crisis. *Boulevard de la République/Avenue des Ambassades* is one of the town's major thoroughfares, running through the so-called "Embassy Quarter" and definitely a suitable place for a diplomatic mission. The location is therefore excellent in terms of access, security and visibility.

3.2 Area

With a total surface area of 22,247 m², the land is of a sufficient size to house the offices, the residence and the housing units within a compound on a single site. The feasibility study anticipated an office building with built floorspace of 2000 m², a residence with built floorspace of 500 m² and 10 housing units with built floorspace of 180 m² each. There would still be space for an additional building in the event of an expansion in the future (consular functions, housing Member State cooperation offices).

3.3 Planning and organisation

After acquisition of the land, the preparatory work for construction will begin, i.e. drawing up an architectural plan for the compound and publishing a call for tenders for construction. Construction work is planned to begin in 2012. Given the time necessary to set up the site and recurring problems in procuring quality materials and supplies, a period of at least 18 months seems realistic for construction to be completed.

According to calculations made by a local architect, the costs involved in the construction of the new buildings, on the surface area mentioned, would be around €3.1 million (based on 2010 prices).

When the time comes, the construction project will be part of an information to the budgetary authority, according to Article 179.3 of the Financial Regulation.

3.4 Contractual conditions

The acquisition will be made by way of a deed of sale drawn up at the request of the Delegation and the French Embassy by a local notary public according to the law of Niger. The payment terms for the land have been negotiated with the French authorities, which have granted staggered payment of the overall amount spread over two financial years. The Commission will pay €500 000 when the contract is signed and €17 460 at the beginning of 2011.

The French Embassy has confirmed the agreement in principle of the Paris office responsible for the property of the French State for the sale of the plot of land located between the leisure centre of the US Embassy and the various buildings of the French Embassy.

3.5 Selection procedure

Given the very limited nature of the property market in Niamey, there was only one other alternative that was examined in detail: a 11 900 m² plot that had been proposed by the Government of Niger in 2002. This land is still vacant, although the offer to build on it from the Government of Niger, dating back to 2002, formally expired in 2006. To take possession of this land, the Commission would have to enclose it with a perimeter wall and to build upon it buildings for mixed used (office premises and houses) of an estimated value of more than €90 000.

Assuming that the government land is still available, the main advantage of this option is that it is free of charge. However, there are also major disadvantages to this option compared with the land owned by the French Embassy:

- It is located away from the town's major asphalt roads by the side of a dirt track some 400 m from the nearest asphalt road. There is consequently a disadvantage in terms of accessibility, visibility and image in relation to the other plot.
- The surface area is considerably smaller than that of the "French" plot and would only allow for the construction of four houses for officials. It would not be possible to house all of the Delegation's buildings on the site, nor to expand in the future. It would be necessary to maintain the security arrangements over a dispersed area and thus at a higher cost.

- It does not offer as much security as the other plot, which is located between the grounds of the French and US Embassies. Special security arrangements protecting the perimeter of this plot at night are currently carried out by the government security forces.
- Major road, pipe-laying and security work would be necessary, whereas this would not be required on the land offered by the French Embassy. It is estimated that the road works needed to upgrade the dirt tracks to asphalt would come to around €100,000.
- Doubt subsists as to the legal certainty of full ownership of the land. Full ownership is, however, guaranteed on acquisition of the French plot.

3.6 Costs

The price asked for this sale by the French authorities is 30 000 CFA francs or €45.74 per m². The Delegation asked a local property company for an expert appraisal of the price. According to that appraisal, given the size of the plot, the price per m² is towards the bottom end of the range for similarly located land in Niamey.

It also indicated that prices are expected to rise in the medium term, given the likely start-up of major industrial projects in Niger (third uranium mine, oil production, etc.). In this context, over a hundred additional expatriates are expected to come to live in Niger, a major proportion of them in Niamey. This trend has been reinforced by the recent evacuation of European nationals from the mining site in Arlit to Niamey.

3.7 Financing/budgetary impact

The first instalment on the acquisition will be financed out of the 2010 appropriations (heading XX 01 03 02 01). The second instalment will be covered by the budget for 2011. Costs relating to construction will be covered by the appropriations available for 2012 and 2013.

4. 4. Buildings programme

The acquisition of the land selected and the subsequent construction will constitute a very long-lasting solution.

CONCLUSION

Taking into account the cost savings ensuing from the proposed solution (see annex with the results of a cost/efficiency analysis), together with the other advantages of the plot offered by the French embassy, in comparison with the present situation and the plot offered by the Government of Niger, the Commission proposes to proceed with this acquisition.

Overview of achievable savings

A. Cost of Security Guards

	Estimated annual costs	Annual savings	Savings over 10 years	Savings over 20 years
Current situation	€356.360			
Construction on "state" plot	€305.596	€50.764	€507.644	€1.015.288
Proposed solution – Construction on "French plot"	€220.798	€135.562	€1.355.617	€2.711.233

B. Rental costs (Delegation, residence, 18 housing units)

	Estimated annual costs	Annual savings	Savings over 10 years	Savings over 20 years
Current situation	€239.877			
Construction on "state" plot	€128.049	€111.828	€1.118.277	€2.236.555
Proposed solution – Construction on "French plot"	€73.171	€166.706	€1.667.058	€3.334.116

C. Generators (depreciation and maintenance)

	Estimated annual costs	Annual savings	Savings over 10 years	Savings over 20 years
Current situation	€90.777			
Construction on "state" plot	€77.058	€13.720	€137.195	€274.390
Proposed solution – Construction on "French plot"	€54.573	€36.204	€362.043	€724.085

D. Combined savings

	Estimated annual costs	Annual savings	Savings over 10 years	Savings over 20 years
Current situation	€687.014			
Construction on "state" plot	€510.702	€176.312	€1.763.116	€3.526.233
Proposed solution – Construction on "French plot"	€348.542	€338.472	€3.384.717	€6.769.434