



Governing Body

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Programme, Financial and Administrative Section

PFA

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Update on the headquarters building renovation project

► Introduction

1. This document provides the Governing Body with an update on the progress in the phase 2 renovation works and on the building works for the headquarters security perimeter project. It will be recalled that:
 - At its 341st Session (March 2021), the Governing Body approved the final scope of phase 2 of the headquarters building renovation project.¹
 - At its 343rd Session (November 2021), the Governing Body approved the proposed budget for phase 2 of the headquarters building renovation project set out in document GB.343/PFA/1, in line with the resources available from the sale of the land.²
 - At its 344th Session (March 2022), the Governing Body approved the proposed budget for the headquarters security perimeter project set out in document GB.344/PFA/4/1, in line with the resources available from the sale of ILO land.³
 - At its 346th Session (October–November 2022), the Office informed the Governing Body that the host country had confirmed a financial contribution of CHF4 million towards the security perimeter project.⁴

¹ GB.341/PV, para. 881.

² GB.343/PV, para. 572.

³ GB.344/PV, para. 776.

⁴ GB.346/PFA/2/1, para. 9.

► Phase 2 of the headquarters building renovation project

2. Stage 2A of the renovation works is progressing more slowly than anticipated due to a combination of factors. Increases in raw material costs have resulted in protracted negotiations with subcontractors and suppliers, while heritage preservation requirements have required extensive consultations with the local authorities.
3. The disruptions in the Strait of Hormuz have been cited by the main contractor as a contributing factor to cost escalation and extended procurement lead times, particularly affecting the aluminium facade package. As a result, negotiations have taken longer than expected, delaying works in the peripheral areas of the building, including the restaurant and offices.
4. In addition, some proposed escape routes have had to be reassessed following the identification of structural-related issues during the process of dismantling the facade. These findings have implications for the visual appearance of the facade, and the proposed solutions remain under review and discussion with the local heritage authorities.
5. Some of the central areas, including the archiving, storage and printing facilities, are, however, expected to be completed within the originally planned time frame and handed over by the end of the year. The programme for the subsequent stages is currently under review in light of the reduced operational resources available to support the relocation of staff and functions into newly renovated areas, as well as the clearance and preparation of spaces required for the following phases of the renovation works.
6. The Office continues to work closely with the main contractor to identify cost-saving opportunities, maintain high-quality workmanship and minimize impacts on the project schedule. While the main contractor is currently incurring losses on the project, it has reaffirmed its commitment to completing the works despite ongoing challenges.
7. The Office remains confident that, through continuous rigorous project monitoring, proactive cost management and ongoing value-engineering initiatives, the project can be delivered within the approved budget of CHF130.4 million. The Governing Body is reminded that, throughout the project, cost control and budget adherence have consistently been prioritized over strict compliance with the original schedule.

► Headquarters security perimeter project

8. The building works have been completed and the new security system is fully operational. The Accreditation team is safely installed in the building and has undertaken the renewal and updating of staff and visitor identification badges throughout the summer period to ensure compatibility with the upgraded security infrastructure.
9. The remaining external and landscaping works are scheduled for completion by the end of the third quarter, subject to weather conditions. The pedestrian bridge linking the pathway to the pond, which provides barrier-free access to the main building for all visitors, was officially inaugurated on 18 March 2026.
10. The outstanding fencing and project close-out activities are contingent upon the final completion of the renovation works and will therefore be undertaken in coordination with

those works. The project is expected to be completed within the approved budget of CHF22.9 million, as authorized by the Governing Body at its 344th Session in March 2022.

► Conclusion

11. The Office will provide the Governing Body with an updated progress report on the headquarters building renovation project and the headquarters security perimeter project at its next session (March 2027).