



EXECUTIVE BOARD

Forty-ninth Session

Provisional agenda item 6.5

HEADQUARTERS ACCOMMODATION: FUTURE REQUIREMENTS

Additional Temporary Office Building  
and Underground Garage<sup>1</sup>

Report by the Director-General



1. In accordance with the terms of resolution WHA24.22,<sup>2</sup> the Director-General submits the following report with regard to the construction of the additional temporary office building and underground garage at headquarters.
2. Following consideration by the Executive Board at its forty-seventh session,<sup>3</sup> the Health Assembly, in resolution WHA24.22,<sup>2</sup> authorized the construction of an additional temporary office building at headquarters at an estimated cost of approximately \$ 600 000 and the construction of an additional underground parking garage at a cost not exceeding \$ 1 100 000. The temporary office building was to be financed from the Real Estate Fund, while the underground parking garage was to be financed by loans to be repaid by the rental revenue from the existing garage and the one to be constructed.
3. Contracts for the two projects were signed in early July 1971 and work began on 14 July. According to the contracts, both the garage and the temporary building are to be completed by October 1972. Work is proceeding at present according to schedule.
4. As regards the temporary office building, the contract was let at a Swiss franc price corresponding to the estimate given to the World Health Assembly of \$ 600 000 on the basis of an exchange rate of 4.32 Swiss francs to the US dollar. As a result of the evolution of the value of the Swiss franc in relation to the dollar, however, the cost of the construction in dollars must now be estimated at approximately \$ 650 000. The final accounting figure in dollars will be known only when the payments have all been made and based on the exchange rate applicable on the dates of the payments. It is clear, however, that simply by reason of the fluctuation in exchange rates the final dollar cost will exceed the figure given to the Twenty-fourth World Health Assembly.
5. As regards the underground garage, the excavation work has proceeded more favourably than might have been anticipated and it is expected therefore that the garage will be completed for a Swiss franc price somewhat less than that on which the estimate of \$ 1 100 000 was based. Since the contract for the construction of the garage is in Swiss francs and the financing is by a loan in Swiss francs, no problem of exchange rates enters into the financing of this project. If, as is presently anticipated, the construction costs somewhat less than originally foreseen, that may mean a slightly earlier amortization of the loan and therefore a slightly earlier date at which the income from the garage may become a source of revenue to the Organization.
6. In accordance with the plan presented to the Health Assembly for the financing of the garage, rental charges on the existing parking garage were increased effective 1 October 1971 to approximately Swiss francs 40.00 per parking space and income is now accruing to the account from which the garage loan will be repaid.

<sup>1</sup> A separate report will be submitted with regard to the planning of the permanent addition to the headquarters building.

<sup>2</sup> Off. Rec. Wld Hlth Org., 193.

<sup>3</sup> Off. Rec. Wld Hlth Org., 189, resolution EB47.R32.

