



WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD
105th Session
Provisional agenda item 7.4

EB105/24
26 November 1999

Real Estate Fund

Report by the Director-General

I. STATUS OF PROJECTS CURRENTLY UNDERTAKEN OR TO BE UNDERTAKEN BEFORE 31 MAY 2000

Office	Project	Amount US \$	Remarks
The Americas	Replacement of waterproofing of the windows and machine-house roof of the regional office building	50 000	Project progressing satisfactorily
South-East Asia	Renovation/restructuring of regional office building	400 000	Some delay in implementation; completion expected by end-1999
Eastern Mediterranean	Construction of a new regional office building in Cairo	9 890 000	Construction work progressing with slight delay. Expected completion by mid-2000. The amount allocated from the Real Estate Fund has been fixed at the level indicated; any costs over that amount will have to be met by the Region from extrabudgetary resources
Headquarters	Replacement of the local area network (LAN)	6 765 000 (original estimate in Swiss francs and subject to exchange rate fluctuations)	Project completed. Cost overrun as estimated, US\$ 460 000 or about 7% of initial estimate. Additional expenditure attributed to technological evolution since first estimate was made in the mid-1990s

II. ESTIMATED REQUIREMENTS FOR THE PERIOD 1 JUNE 2000 TO 31 MAY 2001

Office	Project	Amount US \$	Comments
Africa	Replacement of the telephone exchange	565 000	The telephone exchanges in the five sites in question are over 10 years old, at the end of their technological life cycle and cannot be easily upgraded. In several sites, it will not be possible to connect the present exchanges to the global private network that is being put into place for voice, fax, video and data transmission. It is also doubtful whether these exchanges are year 2000 compliant.
South-East Asia	Replacement of the telephone exchange	400 000	
Europe	Recabling of the LAN infrastructure to make it year 2000 compliant	78 000	Bearing in mind the age and the condition of these exchanges and the fact that several of them are from different manufacturers, it was decided to ask for a collective tender with a view to having one manufacturer and one maintenance contract for all the exchanges. This collective approach represents cost savings and provides the advantages of a common communications infrastructure that is forward-looking and furthers the "one WHO" concept.
Eastern Mediterranean	Replacement of the telephone exchange	425 000	
Western Pacific	Replacement of the telephone exchange	365 000	
Headquarters	Replacement of the telephone exchange	1 750 000	At this stage it would not be cost-effective to replace the exchanges in the Regional Office for the Americas and the Regional Office for Europe, but this will become necessary in the medium term.

1. The telephone exchanges in the regional offices for South-East Asia and for the Western Pacific are most at risk of complete breakdown and are not year 2000 compliant. The Director-General has therefore approved their replacement in accordance with resolution WHA23.14(ii) which authorizes her to use the Real Estate Fund for such projects and report the transactions to the Executive Board. The Director-General has also approved, under the same resolution, replacement of the cabling in the European Region to ensure year 2000 compliance.

2. The Regional Office for Africa has requested use of the Real Estate Fund for the purpose of constructing an office building in Harare. Alternatives are still being investigated but it is possible that an addendum to this report might be submitted to the Board at the opening of the session.

III. FINANCIAL IMPLICATIONS

Total estimated requirements	Unencumbered balance	Appropriation from casual income
US \$	US \$	US \$
3 583 000	1 441 279	2 141 721

IV. ACTION BY THE EXECUTIVE BOARD

3. In the light of the above, the Executive Board may wish to adopt a resolution along the following lines:

The Executive Board,

Noting the report of the Director-General on the status of projects being financed from the Real Estate Fund and the estimated requirements of the Fund for the period 1 June 2000 to 31 May 2001,

RECOMMENDS to the Fifty-third World Health Assembly the adoption of the following resolution:

The Fifty-third World Health Assembly,

Having considered the report of the Director-General on the status of projects financed from the Real Estate Fund and the estimated requirements of the Fund for the period 1 June 2000 to 31 May 2001;

Recognizing that certain estimates must necessarily remain provisional,

1. AUTHORIZES the financing from the Real Estate Fund of the expenditures indicated under Section III of the Director-General's report, at an estimated cost of US\$ 3 583 000;
2. APPROPRIATES to the Real Estate Fund from casual income the sum of US\$ 2 141 721.

ANNEX

REAL ESTATE FUND
ESTIMATED SITUATION AS AT 31 DECEMBER 1999
(expressed in US dollars)

	1 January 1970 - 31 December 1995	1996-1997	1998-1999 ^a	Total (from inception)
1. BALANCE AT 1 JANUARY	-	11 875 877	13 184 075	-
2. INCOME				
Balance of Revolving Fund for Real Estate Operations (resolution WHA23.14)	68 990	-	-	68 990
Casual income appropriated (resolutions WHA23.15, WHA24.23, WHA25.38, WHA28.26, WHA29.28, WHA33.15, WHA34.12, WHA35.12, WHA36.17, WHA37.19, WHA39.5, WHA42.10, WHA43.6, WHA44.29, WHA46.22, WHA47.25, WHA48.22, WHA50.10, WHA50.11, WHA52.15)	32 471 436	10 705 000	(2 049 000) ^b	41 127 436
Transfer from Part II of the Working Capital Fund (resolution WHA23.15)	1 128 414	-	-	1 128 414
Rents collected	8 040 246	748 519	160 000	8 948 765
Interest.....	6 211 955	1 015 250	1 048 000	8 275 205
Other.....	1 567	-	-	1 567
Total income	47 922 608	12 468 769	(841 000)	59 550 377
Total funds available	47 922 608	24 344 646	12 343 075	-
3. OBLIGATIONS AND EXPECTED OBLIGATIONS	36 046 731	11 160 571	10 901 796 ^b	58 109 098
4. BALANCE AT 31 DECEMBER 1999	11 875 877	13 184 075	1 441 279	1 441 279

^a Estimated on data available in 1999.

^b Funds appropriated for six projects in the Regional Office for Africa (resolution WHA50.10) for a total of US\$ 1 654 000, for one project in the Regional Office for the Americas (resolution WHA47.25) for US\$ 250 000 and for one project in the Regional Office for South-East Asia (resolution WHA45.9) for US\$ 145 000 have been refunded to casual income as per resolution WHA52.15 (total refunded US\$ 2 049 000).