



WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD
115th Session
Provisional agenda item 5.5

EB115/41
12 January 2005

Proposed programme budget for the financial period 2006-2007

Real Estate Fund

Report by the Director-General

1. The Proposed programme budget 2006-2007 includes under the section Miscellaneous the proposals of the Director-General regarding, inter alia, the Real Estate Fund.
2. The present document reports on the various projects previously approved by the Health Assembly and the projects proposed for financing in 2006-2007.
3. In accordance with resolution WHA23.14 establishing the Fund, financing from the Real Estate Fund is to be used for acquisition of land and construction of buildings or building extensions, major repairs of and alterations to the Organization's existing office buildings, and housing for staff. Under that resolution, decisions on replenishment or increases in the Fund are made by appropriation by the Health Assembly from casual (now miscellaneous) income; specific Health Assembly authorization is required for use of Fund for the acquisition of land and construction of buildings or building extensions.
4. Much of WHO's building stock is old and some items no longer meet acceptable standards of security and cost effectiveness, largely as a result of underinvestment over time. It is intended by the end of 2005 to draw up a 10 year capital master plan for all main locations that would reflect the need, not only for current, routine maintenance, but also for major work that will be required to maintain the overall viability and security of the Organization's office buildings and of staff accommodation in Brazzaville.
5. Over the past few bienniums, it has become increasingly difficult for the Organization, within the level of funding that has been made available through the Real Estate Fund, to maintain appropriately buildings in all its principal locations. At this juncture, it is estimated that sizeable additional investment will be required over time to ensure the provision of an adequate level of security for staff working in country and regional offices and to remedy the gradual ageing of some of the Organization's buildings.
6. The Annex details the various projects that were previously approved by the Health Assembly and are being financed in the current biennium, and future projects to be financed from the Real Estate Fund. The construction of a four-storey building at the Regional Office for the Western Pacific, authorized by resolution WHA55.8, has revealed the necessity to retrofit the structure of the existing buildings as they do not meet the required safety standards. The cost for the retrofitting is estimated at US\$ 3.4 million.

7. For the biennium 2006-2007, it is proposed to appropriate US\$ 7.6 million from the regular budget for the Real Estate Fund. In order to ensure completeness regarding the cost of the Organization's real estate operations, the Proposed programme budget 2006-2007, under the section Miscellaneous, covers funding for all real estate proposals from all sources of funds. Accordingly, details contained in the Annex cover funding from all sources of funds. The latest estimated costs for planned maintenance, repair and extension of existing buildings, and construction of new buildings in 2006-2007 totals US\$ 13.57 million, US\$ 7.6 million of which will be financed from the regular budget as described above and the remainder from other sources of funds.

ACTION BY THE EXECUTIVE BOARD

8. The Executive Board is invited to note the above report.

ANNEX

**STATUS OF PROJECTS CURRENTLY BEING FINANCED FROM THE REAL ESTATE FUND AND THE PROJECTS PROPOSED FOR FINANCING IN 2006-2007
(US\$ thousand)**

Office	Description	2004-2005	2006-2007
A. BUILDING ACQUISITIONS AND CONSTRUCTION			
Africa	<p>The purchase and renovation of 10 new villas, together with the related acquisition of land, the construction of 24 apartments in two blocks of flats and of related facilities, and the refurbishment and extension of existing residential homes (resolution WHA56.14) has been postponed until 2006. The cost should remain within the previously estimated amount.</p> <p>Bids have been invited from architectural firms for construction within the Djoué compound of new conference facilities, including a conference room with capacity for 600 people and ancillary facilities (resolution WHA56.14). It is planned that the work will commence in spring 2005 and should be completed by mid 2006.</p>	1 920	2 570
Western Pacific	Extension of building 2; construction of a four-storey building at the Regional Office (resolution WHA55.8). This project will be implemented in two phases, the first of which covers the construction is expected to be completed by April 2005. This phase has exceeded the previously estimated cost of US\$ 2.9 million, largely because of the increase in the cost of materials due to inflation.	3 600	
Headquarters	Reimbursement of loan for construction of WHO/UNAIDS building (resolution WHA55.8). Construction of the new accommodation at headquarters has begun and is expected to be completed by mid-2006. Costs are expected to remain within the initially estimated amount of CHF 66 million.		1 000
B. MAINTENANCE			
Africa	Overhaul of water supply, fire hydrants and elevators, renovation of roofs of the Regional Office, villas and apartments will be completed by end 2005. The cost should remain within the previously estimated amount.	650	
The Americas	Work to repair garage slabs will commence in June 2005. The cost should remain within the previously estimated amount.	100	

Office	Description	2004-2005	2006-2007
	Renovation of three meeting rooms, including recabling, is scheduled for 2006.		500
South-East Asia	Replacement and reinforcement of the cooling system, replacement of various electrical fittings and installation of a new power generator will be completed by June 2005. Replacement and improvement of the fire-fighting system and other safety measures will be completed by end of 2005. The cost of these projects will remain within the previously estimated amounts. Renovation of the conference hall and lobby is planned for early 2006.	500	400
Europe	Refurbishment of the reception area and creation of functional work space. Refurbishment of existing buildings and replacement and improvement of the fire-fighting system and other safety measures.	300	700
Eastern Mediterranean	Reinforcement of security and safety at the Regional Office. Reinforcement of security and safety at offices of the WHO Representative.	145	2 000
Western Pacific	Retrofitting of existing buildings, expected to be completed by end of 2006 at an estimated cost of US\$ 3.4 million. Reinforcement of security and safety at the Regional Office and improvement of driveway and parking lot.		3 400 1 000
Headquarters	Maintenance and renovation of buildings, Executive Board room and four meeting rooms, replacement of central-heating boilers, renovation of cooling system and electrical circuits in the main building. Recent renovation work has uncovered the presence of asbestos in the heating and ventilation ducts of the main building and Executive Board sector. As the asbestos is encased in plaster it does not present an immediate health risk. Work to remove the asbestos will be undertaken when the heating pipes are replaced in 2006.	1 000	2 000
Total		8 215	13 570

= = =