



WORLD HEALTH ORGANIZATION

FIFTY-SIXTH WORLD HEALTH ASSEMBLY
Agenda item 12.1

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Real Estate Fund

1. The Executive Board at its 111th session in January 2003 adopted resolution EB111.R3 that recommended a draft resolution to the Health Assembly which confirmed its authorization to the Director-General to proceed with the construction of a new building at WHO headquarters. This document outlines detailed plans for the construction and provides further information on the financial arrangements.
2. A generous proposal was made in 2000 by the Geneva State Government to make available to WHO and UNAIDS, on a “right of use” basis, a plot of land adjacent to the WHO headquarters site in Geneva. In view of the acute shortage of space for technical programmes in Geneva, as well as a need for appropriate premises for UNAIDS, negotiations were initiated between representatives of the Swiss Federal and Geneva State Governments, UNAIDS and WHO for the construction of a new building.¹ The Geneva State Government had also submitted a long-term traffic plan for the general area where international organizations are located. This plan would call for the demolition of the V building, currently occupied by UNAIDS.
3. In May 2002, the Fifty-fifth World Health Assembly, by resolution WHA55.8, authorized the Director-General to proceed with the construction of a new building at headquarters, at an estimated cost of CHF 55 000 000, of which WHO’s share was estimated at CHF 27 500 000, on the understanding that, if WHO’s share was likely to exceed by more than 10% the aforementioned amount, further authority would be sought. The resolution approved the use of the Real Estate Fund for repayment over a 50-year period of WHO’s share of the interest-free loan to be provided by the Swiss authorities with effect from the first year of the completion of the building. Negotiations were under way to reduce this loan through compensation for demolition of the V building.
4. At its 111th session, the Executive Board was advised² that, despite considerable efforts, the final cost was now envisaged to be CHF 66 million instead of the CHF 55 million originally calculated. The Executive Board carefully considered the matter, and following discussion, decided to recommend to the Health Assembly (in resolution EB111.R3) that it confirm its authorization to the Director-General to proceed with the construction of the building at the revised estimated cost of CHF 66 million.
5. The draft resolution contained in resolution EB111.R3 also noted that the Swiss authorities would be presenting to their parliament for approval a proposal consisting of an interest-free 50-year reimbursable loan of CHF 61 000 000 of which WHO’s share is CHF 30 500 000. Furthermore, the draft resolution noted that negotiations are continuing with the Swiss authorities in respect of the value of compensation for the demolition of the V building, the amount of which is expected to cover the

¹ Document EB107/2001/REC/1, Annex 1.

² Document EB111/13.

difference between WHO's share of the estimated cost of the building and WHO's share of the interest-free loan.

6. In April 2003, WHO was informed that the Swiss authorities had approved an interest-free loan of CHF 59 800 000 repayable over 50 years. WHO's share of this amounts to CHF 29 900 000 which leaves a shortfall of CHF 3 100 000 in WHO's share of the estimated cost of the new building of CHF 33 000 000. Negotiations with the Swiss authorities in respect of the value of compensation for the demolition of the V building are still continuing and it is expected that the difference of CHF 3 100 000 between WHO's share of the estimated cost of the building and WHO's share of the interest-free reimbursable loan will be covered by the value of compensation provided.

7. In order to ensure proper supervision of the project until completion within the deadline and the approved amount, a working structure composed of a steering committee and an operational committee has been set up. Furthermore, the company Performance Immobilière S.A. has been selected to direct the overall project.

8. A restricted international competition was undertaken to designate an architect to carry out the project. Nine architectural firms submitted projects. A jury comprising the Director-General, the Executive Director of UNAIDS, representatives of Swiss State authorities and four international architectural experts selected the proposal submitted by the Austrian architectural firm Baumschlager & Eberle, which has been engaged to complete the project.

9. The plan envisages a building of seven storeys with two underground, and a total floor area of 25 900 m². The building will comprise essentially offices with 480 workstations, multiple meeting rooms with a capacity for 15 to 20 participants, a 100-seat conference hall for UNAIDS, and a 200-seat cafeteria, with the necessary services, including archive facilities and an underground garage for about 170 vehicles. In the interests of economy, the building has been designed to afford comfortable and ergonomic working conditions without air-conditioning, and will be connected to the central heating system of WHO's main building. An underground pedestrian and service tunnel will also link the new buildings with the main building.

10. In view of the extraterritorial status of WHO and UNAIDS, no building permit is required by law, although, at the request of the local authorities, the procedure is complied with. Accordingly, in December 2002, a request for a building permit was made to the relevant authorities of the Canton of Geneva, and the permit is expected by the end of 2003.

11. The most recent schedule drawn up by the architect provides for the work to begin in April 2004, and the new building is expected to be delivered by the end of 2005. In order to meet this deadline, an international call for expressions of interest has been made through advertisements in the press in order to be able to select, by June 2003, firms capable of submitting costed bids for the construction of the new building under the guidance of Baumschlager & Eberle. An international, public call for tenders will be made in July 2003, in order that the firm to carry out the work may be designated by February 2004.

12. Construction will take place between April 2004 and December 2005, the planned delivery date for the building. As noted in paragraph 4 above, despite sustained efforts to avoid inessential expenditure, the cost of the building is now estimated to be CHF 66 million, which exceeds the original estimate by CHF 11 million. Although it would be possible to amend the project to reduce the cost to within the original amount authorized, CHF 55 million, this has not been considered appropriate for two reasons. First, the plans drawn up envisage making full use of the potential offered

by the site. A second underground level has been incorporated as a result of which the work area is increased by 3718 m². Essential space for meeting rooms, car parking (some 60 additional spaces) and storage space for documents would be lost if the second underground level were to be abandoned. Secondly, in view of the generous 50-year interest-free loan from the Swiss authorities as well as the expected compensation for the demolition of the V building, the annual increment in the loan repayment of about CHF 140 000 per annum is not considered significant in view of the additional accommodation provided.

13. In accordance with resolution WHA55.8, the Director-General will continue to make further reports at appropriate intervals to the Executive Board and Health Assembly on progress in the construction of new accommodation at headquarters and on related costs.

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