



EXECUTIVE BOARD

Eighty-fifth Session

Provisional agenda item 24

REAL ESTATE FUND AND HEADQUARTERS ACCOMMODATION

Report by the Director-General

In part I of this document the Director-General reports to the Executive Board on the status of projects being financed from the Real Estate Fund, and in part II he reports on the estimated requirements of the Fund for the period 1 June 1990 to 31 May 1991.

In response to operative paragraph 3 of resolution WHA42.11, part III provides information on the status of the approved extension to the headquarters facilities.

The Executive Board may wish to recommend to the Forty-third World Health Assembly that it authorize the financing from the Real Estate Fund of the projects considered in part II and summarized in part IV of the present report, the costs of which, at present accounting rates of exchange, are estimated at US\$ 4 393 750. Part IV also contains a draft resolution for consideration by the Board.

INTRODUCTION

This report is divided into four parts:

Part I provides information on the status of current projects financed from the Real Estate Fund and undertaken prior to 31 May 1990;

Part II lists the requirements for activities which it is proposed to finance from the Real Estate Fund for the period 1 June 1990 to 31 May 1991;

Part III provides information on the status of the approved extension to the headquarters facilities;

Part IV provides a summary of the estimated requirements of the Fund.

Annex 1 contains a table showing the estimated situation of the Fund as at 31 December 1989 and another showing obligations and expected obligations up to that date.

I. STATUS OF CURRENT PROJECTS UNDERTAKEN PRIOR TO 31 MAY 1990

1. Regional Office for Africa

1.1 Replacement of the two older air-conditioning units in the Regional Office has now been completed. However, in the process it was found that the supporting electrical installations (panels, wiring and switching system) required renovation. This unexpected

development resulted in a total expenditure of US\$ 418 467 as against the estimated amount of US\$ 320 000.<sup>1</sup>

1.2 The installation of grilles on the first floor apartment windows has been completed. By using the Regional Office staff to install the grilles it was possible to carry out the project for the exact amount of US\$ 22 000<sup>2</sup> previously estimated.

1.3 Repairs to the three staff houses in Malabo have been completed at a cost of US\$ 44 995, as compared with the estimated amount of US\$ 45 000.<sup>2,3</sup>

1.4 The replacement of the electrical transformers, in order to match the Brazzaville electricity supply system, has been completed at a cost of US\$ 46 782, as compared with the estimated amount of US\$ 50 000.<sup>4</sup>

1.5 The replacement of the main lift in the Regional Office building has been completed at a cost of US\$ 45 504, as compared with the previously estimated amount of US\$ 35 000.<sup>4</sup> The difference stems essentially from the exchange rate fluctuations between the US dollar and the CFA franc and an increase in the cost of materials between the time of estimation and that of receipt.

1.6 Work is in progress on the replacement of the two septic tanks that serve the six apartment blocks (A to F) on the Djoué estate. The cost of the project is not expected to exceed the estimated amount of US\$ 85 000.<sup>4</sup>

1.7 The request for the feasibility study on the telephone installation in the Regional Office has been provisionally suspended. The Regional Office is reviewing its total telecommunication needs, which involve more than just the telephone installation.

1.8 Work on the construction of a boundary wall along the north-eastern limits of the Djoué estate is progressing satisfactorily. The cost of the project is expected to remain within the estimated amount of US\$ 115 000.<sup>5</sup>

1.9 Bids for the repair of the roof of the main building and conference hall of the Regional Office have been received. Their examination shows that this project will cost US\$ 245 000 instead of US\$ 200 000<sup>6</sup> which was based on an estimate obtained in 1987. Inflation between the time of original estimation and the obtention of firm offers accounts for this difference.

## 2. Regional Office for the Americas/Pan American Sanitary Bureau

2.1 The project for placing the cooling tower on the roof of the Regional Office building has been withdrawn, and WHO's financial participation in the estimated amount of US\$ 16 250<sup>5</sup> is no longer required.

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<sup>1</sup> Document EB77/1986/REC/1, p. 110.

<sup>2</sup> Document EB81/1988/REC/1, p. 33.

<sup>3</sup> Document EB83/1989/REC/1, p. 45.

<sup>4</sup> Document EB81/1988/REC/1, p. 34.

<sup>5</sup> Document EB81/1988/REC/1, p. 35.

<sup>6</sup> Document EB83/1989/REC/1, p. 47.

### 3. Regional Office for South-East Asia

3.1 The total cost of the waterproofing of the roof of the Regional Office and related works was US\$ 101 478, as compared with the estimated cost of US\$ 100 000.<sup>1</sup>

3.2 Bids for the equipment and installation of an automatic fire detection and alarm system have been requested. It is not expected to exceed the estimated amount of US\$ 70 000.<sup>2</sup>

3.3 Bids for the additional generator for the Regional Office building have now been received. It is expected to be installed in early 1990 within the estimated amount of US\$ 100 000.<sup>2</sup>

### 4. Regional Office for the Eastern Mediterranean

4.1 Repair of the masonry façade of the Regional Office building is progressing satisfactorily and is expected to be completed by the end of 1989 within the estimated amount of US\$ 25 000.<sup>3</sup>

4.2 The architectural and planning study for the extension of the Regional Office building in Alexandria has been completed and the resulting proposal is contained in part II of this document. The estimated amount of US\$ 10 000<sup>4</sup> has been paid as a fee for this study.

### 5. Headquarters

5.1 The bids for the replacement of the headquarters telephone exchange have been received and examined, and the contract has been signed. The installation should be completed by July 1990 and the costs are not expected to exceed the Swiss franc equivalent of the estimated amount of US\$ 2 215 000.<sup>3</sup>

## II. ESTIMATED REQUIREMENTS FOR THE PERIOD 1 JUNE 1990 TO 31 MAY 1991

### 6. Regional Office for the Americas

6.1 The air handling units of the heating, ventilation and air-conditioning system in the Regional Office are 25 years old and in very poor condition. Further repair and renovation are neither feasible nor cost/effective. It is therefore necessary to replace 11 of the 12 units. The cost of this project is estimated at US\$ 293 000, of which the Real Estate Fund's share, at the rate of 25%, will amount to US\$ 73 250.

6.2 The fire, smoke and emergency systems, designed 25 years ago, are not in accordance with present minimum acceptable safety standards and need to be adapted or changed. There is also a need to install a back-up electrical and battery-powered emergency lighting and warning system. The estimated cost of this project is US\$ 326 000, of which the Real Estate Fund's share, at the rate of 25%, will amount to US\$ 81 500.

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<sup>1</sup> Document EB79/1987/REC/1, p. 108.

<sup>2</sup> Document EB83/1989/REC/1, p. 47.

<sup>3</sup> Document EB81/1988/REC/1, p. 35.

<sup>4</sup> Document EB81/1988/REC/1, p. 45.

## 7. Regional Office for South-East Asia

7.1 The present telephone exchange in the Regional Office was installed in 1980 and the cabling that services it dates back to 1962. The exchange has 25 external lines and 250 internal lines, and the capacity cannot be further increased. Additional needs have been met by installing direct lines (a total of 18 to date), which cannot be optimally used or controlled since they bypass the switchboard.

In view of the escalating telephone costs it is increasingly important to strengthen the means of monitoring, particularly since the local telephone company does not provide itemized billing and the present exchange does not have the technology for record-keeping. Moreover, there is considerable difficulty in obtaining local connections; a great deal of staff time is spent in re-dialling, and outsiders have difficulties in getting through to the Regional Office.

In order to remedy these problems it is proposed, to purchase and install a digital telephone exchange. The cost of this project - which, if approved, would be operational only in 1992 - is estimated at US\$ 230 000.

## 8. Regional Office for Europe

8.1 The present telephone exchange in the Regional Office was installed in 1979. The factory stopped production of this particular exchange in 1983, with the result that maintenance and obtaining spare parts are becoming major problems.

The present system has the capacity for 400 internal lines, whereas the current requirement is a minimum of 500 lines and probably 600 lines in the very near future as a result of the increased use of such lines for informatics purposes. This inadequacy has resulted in the addition of 60 external lines, with the consequent anomaly that a call to an internal extension is treated like a local call; this becomes costly in the long run.

It is proposed to replace the present exchange with a digital system. This would vastly improve the office's communications possibilities by allowing the same line to carry out various functions and services. It would also allow thorough cost control, including continuous monitoring and billing, and it would be able to function with one operator instead of the present two. The cost of the project is estimated at US\$ 688 000.

## 9. Regional Office for the Eastern Mediterranean

9.1 The eighty-first session of the Executive Board was informed of the accommodation problems being faced by the Regional Office for the Eastern Mediterranean,<sup>1</sup> and in accordance with the Board's recommendation the Forty-first World Health Assembly authorized the use of the Real Estate Fund to carry out a feasibility study for an eventual extension of the Regional Office building. This study has now been completed; of the four alternatives proposed to the host authorities the only solution acceptable to them is an extension that is partially underground.

This proposed annex to the Regional Office building, consisting of 1310 m<sup>2</sup> of usable space, would provide 30 offices, library facilities and a conference room equipped and adequate for Regional Committee and other large meetings. In addition to relieving severe congestion in the present accommodation, it would permit the regrouping of certain services which have had to be relocated elsewhere in the city. The estimated cost of this extension, including two additional electrical generators, extension of the telephone system, and installation of interpretation equipment, is US\$ 2 381 000.

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<sup>1</sup> Document EB81/1988/REC/1, pp. 41-46.

10. Regional Office for the Western Pacific

10.1 For several years now the Regional Office has suffered a constantly increasing shortage of space to accommodate the additional staff and equipment required for expanding extrabudgetary activities. Areas previously used for storage have had to be used to accommodate staff, albeit unsatisfactorily. The congestion of staff and equipment in offices has now reached an unacceptable level in relation to both health and safety. With the increase in information, library space and facilities have become inadequate. Contractual staff doing custodial work do not have the basic amenities and facilities. The original inadequacy of space for the medical service is now further aggravated by the increase in the number of staff members served.

It is therefore proposed to construct an annex to the present Regional Office building that will provide 670 m<sup>2</sup> of usable space. In addition to office accommodation for 30 to 35 persons, it will house the library, the medical service, the storeroom, an audio-visual centre, and a medium-sized meeting room. The project includes an elevator, an air-conditioning system, a supplementary generator, and the complete renovation of the water supply and waste disposal pipes (which, in their present condition, would not sustain the extra load resulting from the addition of an extension). The estimated cost of this project is US\$ 940 000.

III. HEADQUARTERS EXTENSION

11. By resolution WHA42.11 the Forty-second World Health Assembly (May 1989) authorized the extension of headquarters facilities by the construction of an additional wing to the present "L" building. After initial unexpected delays the work on this extension started at the beginning of October 1989. The cost is expected to remain within the original estimate of Sw.fr. 18 100 000.

IV. SUMMARY

12. To summarize, on the basis of the foregoing considerations, the estimated requirements of the Real Estate Fund for the period 1 June 1990 to 31 May 1991 are as follows:

	US\$
Air handling units of the heating, ventilation and air-conditioning system at the Regional Office for the Americas (paragraph 6.1)	73 250
Renovation of the fire, smoke and emergency systems at the Regional Office for the Americas (paragraph 6.2)	81 500
New telephone exchange at the Regional Office for South-East Asia (paragraph 7.1)	230 000
New telephone exchange at the Regional Office for Europe (paragraph 8.1)	688 000
Construction of an annex at the Regional Office for the Eastern Mediterranean (paragraph 9.1)	2 381 000
Construction of an annex at the Regional Office for the Western Pacific (paragraph 10.1)	940 000
Total estimated requirements	4 393 750

US\$

Estimated unencumbered balance of the Real Estate Fund, including accrued interest, as at 31 December 1989 (see Annex), rounded off at .....	107 000
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Shortfall which it is proposed to cover by appropriation by the Health Assembly .....	4 286 750
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13. 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 1990 to 31 May 1991;

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

The Forty-third World Health Assembly,

Having considered resolution EB85.R.. and 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 1990 to 31 May 1991;

Recognizing that certain estimates must necessarily remain provisional because of the fluctuation of exchange rates;

1. AUTHORIZES the financing from the Real Estate Fund of the expenditures summarized in part IV of the Director-General's report, at the estimated cost of US\$ 4 393 750;
2. APPROPRIATES to the Real Estate Fund, from casual income, the sum of US\$ 4 286 750.

REAL ESTATE FUND

ESTIMATED SITUATION AS AT 31 DECEMBER 1989  
(expressed in US dollars)

	1 January 1970- 31 December 1985	1986-1987	1988-1989 <sup>a</sup>	Total (from inception)
1. <u>BALANCE AT 1 JANUARY</u> .....	-	4 057 223	1 439 856	-
2. <u>INCOME</u>				
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) .....	14 612 436	-	-	14 612 436
WHA39.5 .....	-	196 000	-	196 000
WHA42.10 .....	-	-	2 307 000	2 307 000
Transfer from Part II of the Working Capital Fund (resolution WHA23.15) .....	1 128 414	-	-	1 128 414
Rents collected .....	4 127 519	782 647	720 000	5 630 166
Interest .....	3 961 305	421 680	203 000	4 585 985
Other .....	1 567	-	-	1 567
<u>Total income</u>	23 900 231	1 400 327	3 230 000	28 530 558
<u>Total funds available</u>	23 900 231	5 457 550	4 669 856	-
3. <u>OBLIGATIONS AND EXPECTED OBLIGATIONS</u> (see Appendix to this Annex) .....	19 843 008	4 017 694	4 562 748	28 423 450
4. <u>BALANCE AT 31 DECEMBER</u> .....	4 057 223	1 439 856	107 108	107 108

<sup>a</sup> Estimated.

Appendix

REAL ESTATE FUND

OBLIGATIONS AND EXPECTED OBLIGATIONS FROM INCEPTION (1 JANUARY 1970) TO 31 DECEMBER 1989  
(expressed in US dollars)

Purpose	Relevant authorization (resolution/ decision)	Obligations			Total
		1 January 1970 - 31 December 1985	1986-1987	1988-1989 <sup>a</sup>	
<b>1. Maintenance, repairs and alterations to houses for staff</b>					
	WHA23.14, para. 3(i)				
Regional Office for Africa .....		2 315 400	587 676	866 460	3 769 536
Regional Office for the Eastern Mediterranean ..		98 237	25 572	30 000	153 809
		<hr/>	<hr/>	<hr/>	<hr/>
		2 413 637	613 248	896 460	3 923 345
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<b>2. Major repairs, and repairs to the Organization's existing buildings</b>					
	WHA23.14, para. 3(ii)				
<b>Headquarters:</b>					
Current repairs .....		903 101	-	-	903 101
Restoration of the structural safety of the eighth floor of the main building .....	WHA35.12 and WHA36.17	32 434	330 759	-	363 193
Renovation of the headquarters' roofing and the technical installations built thereon	WHA39.5	-	284 723	47 362	332 085
Remodelling of the headquarters' eighth floor	WHA39.5	-	1 105 316	444 127	1 549 443
Replacement of the telephone exchange .....	WHA42.10	-	-	2 215 000	2 215 000
Regional Office for Africa .....		797 223	555 844	354 682	1 707 749
Regional Office for the Americas .....		-	-	88 780	88 780
Regional Office for South-East Asia .....		16 075	33 443	238 035	287 553
Regional Office for Europe .....		415 194	12 859	-	428 053
Regional Office for the Eastern Mediterranean		24 800	109 268	26 548	160 616
Regional Office for the Western Pacific .....		558 046	334 876	-	892 922
		<hr/>	<hr/>	<hr/>	<hr/>
		2 746 873	2 767 088	3 414 534	8 928 495
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<b>3. Acquisition of land, construction/extension of buildings</b>					
	WHA23.14 para. 3(iii)				
<b>Headquarters</b>					
<b>Main building:</b>					
Transfer to Headquarters Building Fund for part settlement of litigation with Compagnie française d'Entreprise .....	WHA23.18	655 140	-	-	655 140
Acquisition of land .....	WHA23.17	1 000 095	-	-	1 000 095
Second prefabricated building .....	WHA24.22	689 791	-	-	689 791
Third prefabricated building .....	WHA28.26	1 799 575	-	-	1 799 575
Architectural studies for proposed extension of main building .....	WHA24.22 and WHA25.38	243 832	-	-	243 832
Alterations to "V" building .....	WHA33.15	102 658	-	-	102 658
Additional car park .....	WHA33.15	104 564	-	-	104 564
Construction of a building to house the kitchen and restaurant .....	WHA36.17	2 728 844	-	-	2 728 844
<b>Regional Office for Africa</b>					
Construction of additional staff housing .....	WHA23.16	936 937	-	-	936 937
First extension of Regional Office building ..	WHA23.16	751 585	-	-	751 585
Second extension of Regional Office building .	WHA28.26	930 588	-	-	930 588
Acquisition of land for additional staff housing .....	WHA24.24	13 517	-	-	13 517
Conversion of staff housing .....	WHA34.12	292 955	-	-	292 955
Construction of small office building and staff housing in Malabo, Equatorial Guinea .....	WHA34.12	599 287	-	-	599 287
Third extension of Regional Office building ..	WHA37.19	17 061	615 202	241 754	874 017

<sup>a</sup> Estimated.

Purpose	Relevant authorization (resolution/decision)	Obligations			Total
		1 January 1970 - 31 December 1985	1986-1987	1988-1989 <sup>a</sup>	
<b><u>Regional Office for the Americas</u></b>					
Construction of Zone Office, Brasilia (WHO's contribution) .....	WHA25.39	100 000	-	-	100 000
Construction of a building for the Caribbean Food and Nutrition Institute (WHO's contribution) .....	WHA35.12	300 000	-	-	300 000
<b><u>Regional Office for South-East Asia</u></b>					
Extension of Regional Office building .....	WHA24.25	137 331	-	-	137 331
Fire-fighting equipment and emergency generator .....	WHA28.26	63 172	-	-	63 172
Installation of new telephone exchange .....	EB63(8)	120 557	-	-	120 557
Extension of Regional Office building, including new air-conditioning plant and electrical substation .....	WHA34.12	651 341	22 156	-	673 497
Additional stand-by generator .....	WHA35.12	84 791	-	-	84 791
<b><u>Regional Office for Europe</u></b>					
Renovation of additional premises:	WHA27.15 and				
39 Strandpromenaden .....	WHA29.28	93 213	-	-	93 213
33 Strandpromenaden .....	EB63(8)	91 546	-	-	91 546
Installation of new telephone exchange .....	WHA29.28	190 000	-	-	190 000
Preliminary architectural study for extension of Regional Office building .....	WHA34.12	63 707	-	-	63 707
Lift and toilet facilities for disabled persons in the Regional Office .....	WHA34.12	38 102	-	-	38 102
<b><u>Regional Office for the Eastern Mediterranean</u></b>					
Extension of Regional Office building .....	WHA25.40	39 634	-	-	39 634
Additional extension of Regional Office building .....	WHA38.9	190 000	-	-	190 000
Architectural study for the extension of Regional Office building .....	WHA41.13	-	-	10 000	10 000
<b><u>Regional Office for the Western Pacific</u></b>					
Installation of fire detection and control equipment .....	WHA27.16	25 097	-	-	25 097
Extension of Regional Office building .....	WHA29.28	537 437	-	-	537 437
Additional extension of Regional Office building .....	WHA33.15	1 090 141	-	-	1 090 141
<b><u>Total - Acquisition of land, construction/extension of buildings</u></b>		<b>14 682 498</b>	<b>637 358</b>	<b>251 754</b>	<b>15 571 610</b>
<b>TOTAL OBLIGATIONS AND EXPECTED OBLIGATIONS</b>		<b>19 843 008</b>	<b>4 017 694</b>	<b>4 562 748</b>	<b>28 423 450</b>

<sup>a</sup> Estimated.