



*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
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68th Meeting
Washington, D. C.
July 1972

Provisional Agenda Item 19

CE68/8 (Eng.)
8 May 1972
ORIGINAL: ENGLISH

REPORT ON BUILDINGS AND INSTALLATIONS

Zone V Office - Brasilia

The Executive Committee at its 67th Meeting studied the report on buildings and installations (Document CE67/2) devoted primarily to the Zone V Office in Brazil. The Committee in Resolution I approved the construction plan for the proposed building in Brasilia, and requested the Director to undertake its financing by consulting with the Government of Brazil with respect to a contribution, and with the Director-General to obtain support from the WHO Real Estate Fund. The Director is pleased to submit a progress report.

In accordance with Resolution I, mentioned above, the Director presented to the Director General the pertinent information regarding the Zone V Office building in Brasilia, and solicited financial support from the WHO Real Estate Fund. The Director General presented this matter to the Executive Board in Document EB49/21, Rev.1, including his proposal to provide WHO financial support for the building in the amount of \$100,000.

The Executive Board supported the proposal for assistance from the WHO Real Estate Fund and, in Resolution EB49.R34, recommended to the Twenty-fifth World Health Assembly that it appropriate the necessary credits. This favorable recommendation was given by the Board on the understanding that consultations would be held with the Government of Brazil with a view to obtaining a contribution toward construction of the building, in addition to the land already granted.

In conformity with Resolution I of the Executive Committee, mentioned above, the Director has undertaken consultations with the Government of Brazil concerning a contribution for the building. In these contacts emphasis has been laid on an architectural plan worthy of Brasilia, and also on the inclusion in the building of educational facilities which will serve health-oriented conferences, seminars, and training courses in Brazil. Study of this matter is continuing within the Government, and contact is being maintained by the Zone Chief of PAHO/WHO.

Subsequent to the 49th Meeting of the Executive Board, the Director General addressed a communication to the Ministry of Foreign Affairs of Brazil outlining the problem of the Zone V Office and requesting the Government to consider joining with WHO and PAHO in financing construction of the building. He expressed the hope that a reply would be forthcoming in time for him to report to the Twenty-fifth World Health Assembly.

The financial plan for construction of the Zone V Office building depends, obviously, on the support from the sources mentioned above. Consequently, its presentation must await the corresponding decisions. With respect to the portion of the cost not met from other sources, the Executive Committee agreed in principle to make use of a loan. It has been determined that loan funds from Washington banking sources will be available at a reasonable rate of interest. Negotiations will not be advanced until the entire financial plan is prepared.

Prior to the consideration of this agenda item by the Executive Committee, an addendum will be issued to report the decisions of the World Health Assembly and the Government of Brazil, as well as to present a financial plan.



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68th Meeting
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Provisional Agenda Item 19

CE68/8 (Eng.)
ADDENDUM I
27 June 1972
ORIGINAL: ENGLISH

BUILDINGS AND INSTALLATIONS

Zone V Office - Brasilia

In accordance with the final paragraph of Document CE68/8, this Addendum reports the decisions of the Twenty-fifth World Health Assembly and the status of consultations with the Government of Brazil, and presents a financial plan with respect to construction of the Zone V Office building in Brasilia.

The World Health Assembly approved Resolution WHA25.39 dated 24 May 1972, authorizing the expenditure of \$100,000 from the Real Estate Fund as a contribution towards the cost of the Zone Office building in Brasilia.

The Government of Brazil has donated the land; however, we have not yet been successful in obtaining additional contributions.

Taking into consideration the above factors, as well as the principle of using a loan to finance the balance of construction costs as approved in Resolution I by the Executive Committee at its 67th Meeting, a financial plan is presented below. The estimated cost of the building, as well as the estimated proceeds to be realized from sale of the Zone Office building in Rio de Janeiro, are the figures presented in Document CE67/2.

FINANCIAL PLAN FOR THE CONSTRUCTION OF THE ZONE OFFICE
IN BRASILIA

Total Estimated Cost of Zone Office Building	\$ 370,000.00
<u>Sources of funding:</u>	
Expenditure authorized by the World Health Assembly by Resolution WHA25.39 dated 24 May 1972	\$ 100,000.00
Estimated proceeds to be realized from the sale of the Zone Office building in Rio de Janeiro	\$ 70,000.00
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Total:	\$ 170,000.00
Balance to be funded by a loan to be repaid over approximately a 5-year period	\$ 200,000.00
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Total funding:	\$ 370,000.00 =====

As mentioned in Document CE68/8, it has been determined that loan funds from Washington banking sources will be available at a reasonable rate of interest. In order to proceed with negotiations for a loan, the Executive Committee is invited to consider approval of a resolution along the following lines, the draft of which has been determined to be legally acceptable to potential lending institutions.

PROPOSED RESOLUTION

THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on buildings and installations (Document CE68/8 and Addendum I);

Recalling that the Executive Committee at its 67th Meeting approved the construction plan for the proposed building in Brasilia (Document CE67/2); and

Having noted with approval the Director's plan for financing construction costs of the building,

RESOLVES:

1. To authorize the Director, in accordance with Article VI, paragraph 6.9 of the Financial Regulations of the Pan American Health Organization, to negotiate a loan in an amount up to \$200,000.00 with a suitable bank or other financial institution, to be used toward financing the construction of the Zone V Office building in Brasilia, Brazil.

2. To authorize the Director, relative to obtaining such a loan, to execute such loan agreements, notes, assignments, guaranties, waivers of immunity from suit or judicial process, or other documents as may be necessary or desirable.