

**13th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

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Provisional Agenda Item 5.2

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**UPDATE ON THE MASTER CAPITAL INVESTMENT FUND AND ON THE
MASTER CAPITAL INVESTMENT PLAN IMPLEMENTATION**

Introduction

1. The purpose of this report is to inform Member States on the status of the Master Capital Investment Fund and the Master Capital Investment Plan implementation.
2. In 2018, the Subcommittee on Program, Budget, and Administration, in its 12th Session concurred with the Director's determination to allocate US\$ 4.1 million¹ from the revenue surplus of the 2016-2017 biennium to the Real Estate Maintenance and Improvement Subfund of the Master Capital Investment Fund (see Document SPBA12/INF/6). The allocation of the funds is a step toward mobilizing the funds required to cover future major repairs to the Headquarters building.

Status of the Master Capital Investment Fund

3. The Master Capital Investment Fund comprises five subfunds created to provide distinct funding sources for:
 - a) Real estate maintenance and improvements;
 - b) Information technology needs;
 - c) Vehicle replacement;
 - d) Purchase of new premises or real estate; and
 - e) Human resources strategy.

* Republished to incorporate footnote 11 in the Annex of the document.

¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

4. As of 31 December 2018, the available budgetary fund balances in these subfunds were:

a) Real Estate Maintenance and Improvement Subfund	\$15,645,606 ²
b) Information Technology Subfund	\$577,509
c) Vehicle Replacement Subfund	\$309,404 ³
d) Revolving Strategic Real Estate Subfund	\$95,058
e) Human Resources Strategy Subfund	\$555,566

5. In addition, the Reserve for the Master Capital Investment Fund, established in 2007 in accordance with Resolution CSP27.R19, has a budgetary fund balance of \$4.0 million as of 31 December 2018, of which the Director may allocate up to \$2.0 million during the biennium to one or more of the MCIF subfunds.

Situation Analysis

6. During 2018, PAHO allocated funds from the MCIF to implement several projects in PAHO country office owned and rented properties. The annex to this document reports total funds expended for these projects during 2018. The Vehicle Replacement Plan was implemented using the Vehicle Replacement Subfund.

7. Following the analysis of the Condition Assessment Survey of the Washington, D.C Headquarters building (CE156/24, Rev.1), the following security enhancements have been implemented: *a)* upgrading closed-circuit television (CCTV) systems; *b)* creating a security control room; and *c)* overhaul maintenance on all external doors. The project assessment and design for turnstile installation to strengthen pedestrian access infrastructure has been implemented.

Action by the Subcommittee on Program, Budget, and Administration

8. The Subcommittee is invited to take note of this report and provide any recommendations it deems appropriate.

Annex

² Includes revenue from PAHO real estate leases in the amount of \$989,550.63, and from the Revenue Surplus in the amount of \$4,061,337.10 (Document SPBA12/10).

³ Includes revenue from the sale of PAHO vehicles in the amount of \$200,399.35 as follows: Belize, \$8,088.50; Bolivia, \$19,050.03; Brazil, \$4,385.72; Colombia, \$25,126.00; Guatemala, \$22,690.51; Guyana, \$25,593.70; Haiti, \$37,406.56; Jamaica, \$18,473.60; Mexico, \$21,304.07; Panama, \$10,120.00; and Trinidad and Tobago, \$8,160.66.

Annex

Master Capital Investment Fund
Real Estate Maintenance and Improvement Subfund
Projects implemented in 2018
(as of 31 December 2018)
(in U.S. Dollars)

Location	Description	Total
Headquarters, Washington, D.C.	10th-floor renovation 1st-floor renovation (security upgrades) Building systems/electromechanical systems renovation Floor-by-floor renovation (3-9) Property leasing	1,118,477.70
Brazil	Replacement of uninterruptible power system (UPS)	4,210.56
Honduras	Relocation of PWR-Honduras office ⁴	33,761.34
Office of the Eastern Caribbean Countries and Barbados	Replacement of fire detection system and improvement of security system	30,221.73
Peru	Replacement of water distribution system and installation of sump pump Roof repairs and railing repairs Replacement of uninterruptible power system (UPS) equipment in server room Installation of environmental and maintenance management system	124,995.04
Trinidad and Tobago	Upgrade of security radio communication system ⁵	15,700.00
Uruguay	Renovation of the conference room, restrooms and lighting system (consultancy fees during the design phase) ⁶	4,774.69
Venezuela	Waterproofing repairs to roofs Electrical repairs and replacement of air conditioner in server room and closed-circuit television (CCTV) system Replacement of façade	11,980.29
Total		1,344,121.35⁷

⁴ Approved by the PAHO Infrastructure and Investment Committee (PIIC) per ad-hoc request of the country office on 16 September 2018.

⁵ Approved by the PIIC per ad-hoc request of the country office on 26 June 2017.

⁶ Approved by the Director of the Department of General Services Operations (GSO) per ad-hoc request of the country office on 11 June 2018.

⁷ Excludes accrued expense in the amount of \$86,319.59.

**Master Capital Investment Fund
Information Technology Subfund
Projects implemented in 2018**
(as of 31 December 2018)
(in U.S. Dollars)

Location	Description	Total
Headquarters, Washington D.C.	Implementation of the Information Technology Strategy: maintenance of internet connectivity in Country Offices (Brazil, Guyana, Paraguay and Uruguay)	5,357.45 ⁸

**Master Capital Investment Fund
Vehicle Replacement Subfund
Projects implemented in 2018**
(as of 31 December 2018)
(in U.S. Dollars)

Location	Description	Total
Belize	Vehicle replacement (one)	40,000.00
Colombia	Vehicle replacement (one)	35,500.62
Costa Rica	Vehicle replacement (two)	52,212.75 ⁹
Ecuador	Vehicle replacement (one)	12,990.00 ¹⁰
Guatemala	Vehicle replacement (three)	94,050.00
Guyana	Vehicle replacement (one)	67,406.20 ¹¹
Mexico	Vehicle replacement (one)	27,521.81
Nicaragua	Vehicle replacement (two)	74,881.77
Panama	Vehicle replacement (two)	60,369.58
Peru	Vehicle replacement (one)	25,798.00
Trinidad and Tobago	Vehicle replacement (one)	37,322.28
Total		528,053.01

⁸ Excludes accrued expense in the amount of \$5,115.11.

⁹ The trade-in amount for two vehicles in Costa Rica was \$23,460.80.

¹⁰ The trade-in amount for one vehicle Ecuador was \$30,000.00.

¹¹ This amount includes the cost of a vehicle delivered in 2018 (\$44,053.33) and the remaining balance from a vehicle purchased in 2017 (\$23,352.87).

Master Capital Investment Fund
Revolving Strategic Real Estate Subfund
Projects implemented in 2018
(as of 31 December 2018)
(in U.S. Dollars)

Location	Description	Total
Headquarters, Washington, D.C., and Country Offices	No activity	--

Master Capital Investment Fund
Human Resources Strategy Subfund
Projects implemented in 2018
(as of 31 December 2018)
(in U.S. Dollars)

Location	Description	Total
Headquarters, Washington D.C.	No activity	--

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