



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



SEVENTH SESSION OF THE SUBCOMMITTEE ON PROGRAM, BUDGET, AND ADMINISTRATION OF THE EXECUTIVE COMMITTEE

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MASTER CAPITAL INVESTMENT PLAN

Periodic Report on the Implementation of the Master Capital Investment Plan

Introduction

1. This document summarizes the activities and projects of the Master Capital Investment Plan (MCIP) that were completed during the first year of the 2012–2013 biennium, those proposed for 2013, and those covering 2014–2021 (the remainder of the 10-year MCIP) that may be funded by the Master Capital Investment Fund (MCIF) and by the PAHO Holding Account.

Master Capital Investment Plan

2. The MCIP reflects increasing efforts by the Pan American Health Organization (PAHO) to systematically maintain and improve the building infrastructure, equipment, and information technology at its installations throughout the Region. In an effort to improve transparency and show the coordination between related MCIP activities and projects that are funded by the MCIF and the Holding Account, the Pan American Sanitary Bureau (PASB) has included references to MCIF and Holding Account activities and projects in this document and in the attached annexes.

3. The Holding Account was created as a result of excess budget availability from the 2006–2007 biennium. One-time, major infrastructure projects in the administrative and technical areas were authorized by the 48th Directing Council in Resolution CD48.R1 (2008). These included the creation of the Emergency Operations Center/Knowledge Center, repairs to the roof of the Washington, D.C., Headquarters building, and the plaza drain repair project at Headquarters. Specific descriptions of

Holding Account projects are found in Document CE146/27 (2010). Details on the MCIF are outlined below.

Replenishment of the Master Capital Investment Fund for the 2012–2013 Biennium

4. In accordance with Resolution CSP27.R19 (2007), the PASB Director is required to notify the Executive Committee of any funds transferred to the MCIF from excess income over expenditure in the Regular Program Budget. For the 2012–2013 biennium, there were no excess funds available for transfer to the MCIF. However, in December 2012, the Director approved the transfer of US\$ 2 million from the IPSAS Surplus Account.¹ This amount was divided equally between the Real Estate Maintenance and Improvement Subfund and the Revolving Strategic Real Estate Subfund.

5. At the close of the 2010–2011 biennium (December 2011), there was a balance of \$2,829,685.88 in the Information Technology Subfund, \$2,534,752.23 of which was unobligated. Information Technology Services (ITS) carried over the latter sum into the 2012–2013 biennium for new projects. A description of projects undertaken in this subfund in 2012 is found in Annex C. At the close of the 2010–2011 biennium, there was a balance of \$1,688,836.69 in the Real Estate Maintenance and Improvement Subfund, \$1,522,068.93 of which was unobligated. General Services Operations (GSO) carried over the latter sum into the 2012–2013 biennium for new projects. A description of projects undertaken in this subfund in 2012 is found in Annex A.

6. The Real Estate Maintenance and Improvement Subfund received complementary funding of \$850,000 in 2012 from the World Health Organization's Capital Master Plan, which was reactivated in the 2010–2011 biennium, for reconstruction of the earthquake-damaged PAHO/WHO Representative (PWR) office in Haiti. A contract for \$1 million was signed in September 2012, supplemented by \$150,000 from the PAHO MCIF. The new office facility is expected to be completed in early 2014.

Real Estate Maintenance and Improvement Subfund

Projects at Headquarters in 2012–2013

7. Full rehabilitation of the four 1965-era elevators in the Washington, D.C., Headquarters building is underway, with a projected completion date of December 2013. A major rehabilitation of the two 10-ton chiller units at Headquarters began in December

¹ This surplus resulted from implementation of International Public Sector Accounting Standards (IPSAS) in 2010. Unless otherwise indicated, all monetary figures in this document are expressed in United States dollars.

2012 and should be completed within two months. It is industry best practice to conduct chiller rehabilitations every five or six years (the last work was completed in 2005).

8. The MCIF was also utilized in 2012 to purchase audiovisual equipment, including several large display monitors, a wireless microphone system, video conferencing equipment, and other electronic equipment, within the Holding Account funded Emergency Operations Center/Knowledge Center project.

Projects at PWRs in 2012–2013

9. A total of \$172,376 was provided in 2012 to PWRs² to rebuild the earthquake-damaged PWR Haiti office and to relocate PWR Jamaica to the former Caribbean Food and Nutrition Institute (CFNI) building. Several additional projects are planned for 2013 .

Projects Planned at Headquarters and PWRs for 2014–2021

10. Given the limited funds available, the proposed real estate and buildings projects planned for 2014–2021 (as well as for 2012–2013) will be reviewed by the Project Infrastructure Investment Committee, which was created by the Director in September 2009 to analyze MCIP projects in both subfunds and issue recommendations as to their feasibility and priority (Annex B). The distribution of projects approved for the balance of the 2012–2013 biennium will depend upon funding that has yet to be determined.

Vehicle Replacement Subfund

11. Established in October 2012, this subfund has accepted deposits of \$75,863.16 from seven locations. These proceeds from the sale of administrative vehicles will be recycled to defray the purchase of new vehicles in the future.

Revolving Strategic Real Estate Subfund

12. This subfund received \$1 million in December 2012 from the IPSAS Surplus Account, and several requests for relocation of PWRs to newer and safer facilities are now being evaluated.

² Informally referred to as “country offices.”

Information Technology Subfund

Projects at Headquarters and PWRs in 2012–2013

13. A total of \$1,795,756 was allocated in 2012 on various MCIF information technology (IT) operations requirements, including desktop computers and peripherals, hosting infrastructure, software, and information security.

14. Proposed expenditures during the final year of the 2012–2013 biennium (Annex D) will include support at both Headquarters and PWRs in the following areas:

- (a) Software licenses;
- (b) Replacement and/or upgrade of network and infrastructure to include servers and storage devices;
- (c) Information security; backup devices and storage of PWR institutional knowledge;
- (d) Replacement of desktops, notebooks, and peripherals, including printers and scanners, as necessary;
- (e) Server infrastructure required for the PASB Management Information System (PMIS), should those requirements become available;
- (f) Networking infrastructure required for the PMIS; and
- (g) Automation of administrative processes not included in the PMIS.

Projects for 2014–2021

15. The projects planned for 2014–2021 (Annex C) will include:

- (a) Software licenses;
- (b) Network infrastructure;
- (c) Information security; and
- (d) Replacement of desktops, notebooks, and peripherals, including printers and scanners, as necessary.

16. Planned efforts during 2013 will focus on implementation of the strategic goals of the new Information Technology Strategy approved for the Organization in August 2012.

Strategic Goal 1	Deliver value to the technical teams and operations through IT services.
Strategic Goal 2	Build trust and confidence in the Information Technology Services.
Strategic Goal 3	Enable PAHO internal and external Stakeholders to access high-quality information and services anywhere, anytime, from any device.
Strategic Goal 4	Focus on the country offices and Centers.
Strategic Goal 5	Accelerate adoption of electronic business processes at PAHO.
Strategic Goal 6	Reduce the Mainframe footprint.
Strategic Goal 7	Adopt a new talent strategy and cultivate new roles and skills.
Strategic Goal 8	Define and promote standard frameworks for Information Technology.
Strategic Goal 9	Ensure the readiness of the IT systems in case of disasters or operation disruptions.

17. The updated IT Strategy of PAHO is available upon request.

18. Annex C, which shows the 2012–2013 investment program, also outlines the planned program for the biennia ending in 2021. Because the currently anticipated costs from 2013 onward are likely to be affected by the deployment of the PMIS, significant changes in the projected costs are expected from that point on. At present, all costs are estimates.

19. The Organization is committed to monitoring and reassessing essential projects and their estimated costs on an ongoing basis and to regularly providing Member States with the most accurate and up-to-date information.

Action by the Subcommittee on Program, Budget, and Administration

20. The Subcommittee is invited to take note of this report and provide comments and recommendations to the Executive Committee.

Annexes

**Master Capital Investment Fund
Real Estate Maintenance and Improvement Subfund
In Progress or Planned 2012–2013
(as of 1 January 2013, in US\$)**

Location	Project (completed or in progress)	2012	2013
PAHO Headquarters (Washington, D.C.)	Rehabilitate four elevators	198,855	729,325
PAHO Headquarters (Washington, D.C.)	Consultant on elevator project	0	15,000
PAHO Headquarters (Washington, D.C.)	Audiovisual and other miscellaneous support for Emergency Operations Center project	218,004	6,996
PAHO Headquarters (Washington, D.C.)	Construction costs for Emergency Operations Center	13,547	0
PAHO Headquarters (Washington, D.C.)	Architectural/engineering costs for Emergency Operations Center	19,607	0
PAHO Headquarters (Washington, D.C.)	Rehabilitation of two ten-ton chillers	0	89,500
PWR Haiti	Reconstruction of PWR office	150,000	0
PWR Jamaica	Relocation to former CFNI building	22,376	0
Subtotal		622,389	840,821
Grand Total		1,463,210	

**2012–2013 Expenditures for GSO Projects Funded by the Holding Account
(as of 1 January 2013, in US\$)**

Location	Project	2010–2011 Final Expenditures	2012–2013 Estimated Expenditures
Regional	Emergency Operations Center (EOC) and Knowledge Center (KC) (Holding Account Profile 1A): initial funding source	1,578,693	1,321,307
PAHO/WHO Representative Offices	Improvements to facilities: Minimum Operating Security Standards (MOSS) upgrades and security measures (Holding Account Profile 4A)	153,953	146,047
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: energy-saving measures (Holding Account Profile 4B)	0	2,500,000
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: plaza drainage system repairs (Holding Account Profile 4C)	3,500	371,500
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: security and sanitary measures (Holding Account Profile 4D)	35,378	294,242
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: Headquarters office tower roof repairs (Holding Account Profile 4E)	250,000	0
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: renovation of Headquarters building and annexes (Holding Account Profile 4F): initial funding source	22,397	952,603

**Projected Costs for Projects in the Information Technology Subfund
(as of 1 January 2013, in US\$)**

Project	2012–2013	2014–2015	2016–2017	2018–2019	2020–2021	2012–2021 Total
Desktops and laptops	250,000	250,000	250,000	250,000	250,000	1,250,000
Other peripherals, including printers	150,000	250,000	250,000	250,000	250,000	1,250,000
Servers and hosting infrastructure	1,500,000	1,200,000	1,400,000	1,200,000	1,000,000	6,300,000
Information security	200,000	230,000	250,000	280,000	280,000	1,240,000
Telephone system	200,000	200,000	200,000	200,000	250,000	1,050,000
Network infrastructure	500,000	400,000	200,000	400,000	300,000	1,800,000
Software	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	5,625,000
Totals	3,925,000	3,655,000	3,675,000	3,705,000	3,455,000	18,410,000

**Planned 2012-2013 Expenditures for ITS Projects
Funded by the Holding Account
(as of 1 January 2013, in US\$)**

Project	Amount Approved	2012-2013 Allotted Planned Expenditures
2.C: Strengthening communications through improved PWR connectivity	2,000,000	615,000
3.B: Modernization of service model for the delivery of information technology and knowledge management and services	1,500,000	500,000*

* \$300,000 allotted to the Area of Knowledge Management and Communication (KMC).

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