



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



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

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MASTER CAPITAL INVESTMENT FUND

Periodic Report on the Implementation of the Master Capital Investment Fund

1. This document summarizes the plans for biennium 2010-2011 for activities funded under the Master Capital Investment Fund (MCIF), as authorized by the 27th Pan American Sanitary Conference.

Biennium Funding

2. The two sub-funds of the MCIF were initially funded in January 2008 at (a) US\$ 2 million for buildings and equipment, and at (b) \$6 million for information technology infrastructure. As of 1 January 2010, the unobligated balances remaining from the 2008-2009 biennium were \$967,928 in the buildings and equipment sub-fund and \$2,155,909 in the information technology infrastructure sub-fund.

3. According to Resolution CSP27.R19, adopted on 5 October 2007, the Director will transfer \$2 million of excess income over expenditure from the Regular Program Budget 2008-2009 funds to the MCIF upon notification to the June 2010 meeting of the Executive Committee through the Fourth Session of the Subcommittee on Program, Budget, and Administration. The Director also requests approval for the transfer of an additional \$2 million of excess income over expenditure from the Regular Program Budget 2008-2009 funds to the MCIF with the approval of the Executive Committee in June 2010 through submission of this request through the SPBA4. The total amount of \$4 million will be divided between both sub-funds, but the exact amount to be allocated to each fund has yet to be determined by the Director.

Real Estate and Equipment Sub-fund

4. Planning for the 2010-2011 biennium MCIF currently contains \$780,000 in projects for PAHO's Washington, D.C., Headquarters and \$1,081,777 for PAHO/WHO Country Offices.

Projects at Headquarters

5. Three major projects valued at \$226,261 were completed in 2008-2009, including: (a) the installation of a domestic booster pump to ensure proper water flow to the chillers for the building's air conditioners, (b) the installation of previously purchased simultaneous-translation equipment in conference rooms B and C, and (c) completion of a space study to reassign staff members to locations that reflected the Organization's new structure, as established by the Director.

6. Assuming that sufficient funds are in place, in 2010-2011 the General Services Office plans to begin the elevator project that was postponed from 2008-2009; the project will start after the roof repair project is completed and substantial progress is made on the window replacement project (both funded by the Holding Account). Two engineering studies were approved in 2008-2009—the first on the conference area and the second to review building conditions—which should go forward in 2010-2011. The total value of the three HQ projects is \$780,000.

Projects in PAHO/WHO Country Offices

7. In 2008-2009, the Director approved 26 projects in Country Offices valued at \$1,114,178. However, seven of these projects were not initiated in that biennium and have been carried over to 2010-2011. Some of these delayed projects include architectural/engineering studies to support construction, at Member State expense, of new facilities for the PAHO/WHO Representative Office (PWR) in Santiago, Chile, renovation costs for the relocation of the PWR office in Uruguay to a new location in a Ministry of Health building, and the replacement of an air conditioning unit in Panama.

8. Given the requirement for Executive Committee approval of additional funds, it is unknown at this time how many of these new projects will be approved for the various PWR offices. There are 28 projects proposed for 2010-2011, including those noted in paragraph six above, at an estimated cost of \$1,081,777. Based on the experience in 2008-2009, some projects may be delayed or cancelled once local priorities are re-examined during the biennium or local circumstances dictate a delay. Finally, none of the new projects for 2010 and beyond have been reviewed or approved by the PAHO Infrastructure Investment Committee (PIIC), a body created by the Director in September 2009 to review the various MCIF projects in both sub-funds and issue recommendations

on their feasibility and priority within the limited funds available. Annex A shows the current list of proposed projects for the Real Estate and Equipment Sub-fund for 2010-2011; Annex B shows the overall program plan for 2010-2019.

Information Technology Sub-fund

9. A total of \$3,595,000 is planned for the 2010-2011 biennium (see Annex C). The Area of Information Technology Services plans to spend (a) \$885,000 on software licenses, (b) \$400,000 on infrastructure, (c) \$350,000 on telephony systems for licenses and replacement systems primarily at the country level, (d) \$160,000 on information security hardware and software, (e) \$600,000 on servers and hosting infrastructure at Headquarters and Country Offices, (f) \$400,000 on peripherals including printers and scanners, and (g) \$800,000 on replacing desktops and notebooks.

10. Annex C shows specific Information and Technology Sub-fund projects for the 2010-2011 biennium, and Annex D shows the overall proposed spending for 2010-2019.

Next steps

11. Given the limited funds and uncertainty over future funding availability, constant monitoring and evaluation of essential projects and their estimated costs is required in the current biennium and beyond.

Action by the Subcommittee on Program, Budget, and Administration

12. The Subcommittee on Program, Budget and Administration is requested to review the funding transfers outlined in paragraph three and to make recommendations to the Executive Committee accordingly.

Annexes

**Master Capital Investment Fund (MCIF) and Holding Account
Real Estate and Equipment Sub-fund**

As of 21 January 2010

Location	Project Description	Funding Source	Current Status	Total Estimated Costs (US\$)	Projected Expenses 2010/2011	
Argentina	Replace carpets and wooden floors	MCIF 10-11	Pending review	15,000		
Argentina	Renovate restrooms	MCIF 10-11	Pending review	21,000		
Barbados	Interior painting (approved 2008-2009)	MCIF 10-11	Pending implementation 10-11	52,000		
Barbados	Replace tiles and carpets	MCIF 10-11	Pending review	48,000		
Barbados	Air conditioning assessment, equipment, and installation	MCIF 10-11	Pending review	61,000		
Bolivia	Interior repairs to secretarial area and A/C in computer room	MCIF 10-11	Pending review	19,626		
Brazil	Replace roof membrane (approved 2008-2009)	MCIF 10-11	Pending implementation 10-11	90,000		
Chile	Architectural/engineering study for new office (approved 2008-2009)	MCIF 10-11	Approved	75,000		
Chile	Project manager for new office building (approved 2008-2009)	MCIF 10-11	Approved	75,000		
Colombia	Replace A/C units	MCIF 10-11	Pending review	16,000		
Colombia	Replace carpet	MCIF 10-11	Pending review	53,000		
Dom Rep.	Reconstruct side walls	MCIF 10-11	Pending review	80,000		
Dom Rep.	Change stairwells	MCIF 10-11	Pending review	20,000		
Dom. Rep.	Install electronic access controls (approved 2008-2009)	MCIF 10-11	Approved	15,500		
Dom. Rep.	Rehabilitate A/C units	MCIF 10-11	Pending review	20,000		
Ecuador	Renovations in common UN house (security, fire stairs, etc.)	MCIF 10-11	Pending review	15,100		
Guyana	Remodel open office space, replace ceiling tiles and wooden doors	MCIF 10-11	Pending review	15,200		
Guyana	Upgrade electrical cabinet (top floor) and replace A/C compressors/ducting	MCIF 10-11	Pending review	19,000		
Guyana	Replace office windows and fire escape	MCIF 10-11	Pending review	16,600		
Honduras	Security improvements (perimeter walls, stronger main door, illumination in emergency exits)	MCIF 10-11	Pending review	15,000		
Jamaica	Relocation costs of PWR	MCIF 10-11	Pending review	60,000		
Mexico	Relocation costs of PWR	MCIF 10-11	Pending review	60,000		

Location	Project Description	Funding Source	Current Status	Total Estimated Costs	Projected Expenses 2010/2011	
Nicaragua	Mylar blast film on windows	MCIF 10-11	Pending review	18,751		
Panama	Replace 1.5 ton A/C unit (approved 2008-2009)	MCIF 10-11	Approved	18,000		
Trinidad and Tobago	Relocation costs of PWR	MCIF 10-11	Pending review	60,000		
Uruguay	Relocation costs of PWR (approved 2008-2009)	MCIF 10-11	Pending implementation 10-11	60,000		
Venezuela	Repair external and first floor walls; make repairs against water infiltration	MCIF 10-11	Pending review	38,000		
Venezuela	Construct roof over carport to protect official vehicles	MCIF 10-11	Pending review	25,000		
HQ/DC	Rehabilitate elevators in HQ Building (approved 2008-2009)	MCIF 10-11	Approved	700,000		
HQ/DC	Conduct architectural/engineering study of conference floor (approved 2008-2009)	MCIF 10-11	Approved	30,000		
HQ/DC	Conduct cost-benefit engineering study of major repairs for HQ Building (approved 2008-2009)	MCIF 10-11	Pending implementation 10-11	50,000		
					Approved by Directing Council Fall 2008/Executive Committee June 2009	Projected Future Biennium Expenses (HA only)
HQ/DC	1A - emergency operations center and related work	HA	In progress	2,534,000	1,421,282 ^{1/}	
Regional	4A – Minimum Operating Security Standards (MOSS) upgrades at various PWRs	HA	In progress	300,000	300,000	
HQ/DC	4B - window replacement (south side) HQ office building	HA	Pending	620,000	620,000 ^{2/}	
HQ/DC	4C - repair plaza drains (phase 1 and 2)	HA	Pending	100,000	100,000	
HQ/DC	4D - lobby/ID card and garage security improvements	HA	Pending	50,000	50,000	
HQ/DC	4E - repair roof of office tower	HA	In progress	250,000	250,000	
HQ/DC	4B - window replacement (north side) HQ office building	HA	Pending	600,000	0	600,000**
HQ/DC	4B - window replacement (conference wing) HQ office building	HA	Pending	200,000	0	200,000**
HQ/DC	4B - new heating, ventilation and Air conditioning system (HVAC) on 2nd and 10th floors with electrical upgrade	HA	Pending	1,100,000	0	1,100,000**
HQ/DC	4B - replace existing roof over conference wing with a green roof	HA	Pending	400,000	0	400,000

Location	Project Description	Funding Source	Current Status	Total Estimated Costs	Projected Expenses 2010/2011	Projected Future Biennium Expenses (HA only)	
					Approved by Directing Council Fall 2008/Executive Committee June 2009		
HQ/DC	4C - repair plaza drains (phase 3)	HA	Pending	275,000	275,000	275,000	
HQ/DC	4D - 2nd floor restroom renovations	HA	Pending	80,000	80,000	80,000	
HQ/DC	4D - refurbish remainder of HQ restrooms	HA	Pending	100,000	100,000	100,000	
HQ/DC	4D - lobby improvements	HA	Pending	100,000	100,000	100,000	
HQ/DC	4F - refurbish Room A	HA	Pending	350,000	350,000	350,000	
HQ/DC	4F - refurbish Room B	HA	Pending	125,000	125,000	125,000	
HQ/DC	4F - refurbish Room C	HA	Pending	100,000	100,000	100,000	
				Subtotals	9,145,777	3,871,282	3,430,000

Notes: Holding Account (HA); Master Capital Investment Fund 2010-2011 (MCIF10-11).

^{1/} Additional US\$ 500,000 approved by Executive Committee June 2009 (Document CE144/25, Rev. 1), plus US\$ 1,112,718 to be raised from external donor(s).

^{2/} Additional US\$ 120,000 approved by Executive Committee June 2009 (Document CE144/25, Rev. 1).

**These amounts for HA projects must be approved by the Executive Committee.

SUMMARY	MCIF	HA	TOTALS
Projected 2010-2011 Expenses	1,861,777	3,871,282	5,733,059
Projected Future 2012-2019 Expenses	3,279,231	3,430,000	6,709,231
Total Estimated Costs	5,141,008	7,301,282	12,442,290

**Master Capital Investment Fund (MCIF)
Real Estate and Equipment Sub-fund
Projected Needs per Biennium 2010-2019
(in US\$)**

As of 21 January 2010

PWR Country Office	2010-2011	2012-2013**	2014-2015**	2016-2017**	2018-2019**
Argentina	36,000	15,000	30,000		
Barbados	161,000				
Belize					
Bolivia	19,626				
Brazil	90,000	239,000	110,000		
Chile	150,000				
Colombia	69,000				
Costa Rica					
Cuba		20,000			
Dominican Republic	135,500	68,000			
Ecuador	15,100				
El Salvador					
Guyana	50,800	41,100			
Honduras	15,000				
Jamaica	60,000				
Mexico	60,000				
Nicaragua	18,751		25,000		
Panama	18,000				
Paraguay					
Peru		181,131			
Trinidad and Tobago	60,000				
Uruguay	60,000				
Venezuela	63,000	40,000			
Washington, DC	780,000	589,000	442,000	449,000	1,030,000
TOTAL	1,861,777	1,193,231	607,000	449,000	1,030,000
Grand total					5,141,008

** Dependent on future funding availability.

Note: Headquarters projects funded by the Holding Account (as authorized in October 2008) are not included in the above table.

Activities for 2010-2011 are more fully described in Annex A.

**Master Capital Investment Fund, 2010-2019
Information Technology Sub-fund**

As of 21 January 2010

	2010-2011	2012-2013	2014-2015	2016-2017	2018-2019
Desktops and laptops	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Other peripherals including printers	\$400,000	\$300,000	\$300,000	\$300,000	\$300,000
Servers and hosting infrastructure	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Information security	\$160,000	\$200,000	\$230,000	\$250,000	\$280,000
Telephony	\$350,000	\$400,000	\$400,000	\$400,000	\$400,000
Network infrastructure	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Software	\$885,000	\$800,000	\$800,000	\$800,000	\$800,000
Total	\$3,595,000	\$3,500,000	\$3,530,000	\$3,550,000	\$3,580,000
Total 2010-2019		\$17,755,000			

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