



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



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

Washington, D.C., USA, 16-18 March 2011

Provisional Agenda Item 4.3

SPBA5/6 (Eng.)
5 February 2011
ORIGINAL: ENGLISH

MASTER CAPITAL INVESTMENT PLAN

Periodic Report on the Implementation of the Master Capital Investment Plan

Introduction

1. This document summarizes the Master Capital Investment Plan activities and projects for the current 2010–2011 biennium, for those proposed for the 2012–2013 biennium, and for those requested for the remainder of the ten-year plan 2014–2019 that may be funded by the Master Capital Investment Fund (MCIF) and by the PAHO Holding Account (HA).

Master Capital Investment Plan

2. The Master Capital Investment Plan reflects the Organization's increasing efforts 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 activities and projects in the Master Capital Investment Plan that are funded by the Master Capital Investment Fund and by the Holding Account, the Secretariat has included references to both MCIF and HA 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 (October 2008); these included the Emergency Operations Center/Knowledge Center and the installation of energy-efficient windows in the Washington Headquarters building. Specific descriptions for Holding Account projects are found in Document CE146/27. Details on the Master Capital Investment Fund are outlined below.

Master Capital Investment Fund, 2010–2011 Biennium Funding

4. The Master Capital Investment Fund for the 2008–2009 biennium was initially funded in January 2008, with \$2 million* for the Real Estate and Equipment Subfund and \$6 million for the Information Technology Subfund. In accordance with Resolution CSP27.R19 (October 2007), the Director notified the Executive Committee in June 2010 of the transfer of \$2 million of excess income over expenditure from the 2008–2009 Regular Program Budget to the Master Capital Investment Fund for the 2010–2011 biennium.

5. As stipulated in that same resolution, the Director received the approval of the Executive Committee in June 2010 to transfer an additional \$2 million of excess income over expenditure from the 2008–2009 Regular Program Budget funds to the 2010–2011 Master Capital Investment Fund. The new funding was divided between the Real Estate and Equipment Subfund (\$1 million) and the Information Technology Subfund (\$3 million). As of 31 December 2010, the unobligated balances remaining from the 2010–2011 biennium were \$121,135 in the Real Estate and Equipment Subfund and \$729,290 in the Information Technology Subfund.

6. The Real Estate and Equipment Subfund may receive additional funding from the WHO Capital Plan, which was reactivated in the 2010–2011 biennium. The distribution of funds from this program has not been finalized.

Real Estate and Equipment Subfund

Projects at Headquarters in 2010–2011

7. The rehabilitation of the four elevators at the Headquarters building, previously approved in the 2008–2009 biennium, should proceed in this biennium. The General Services Area at Headquarters has received \$30,000 to conduct a study of the major building systems and renovation projects at the Headquarters building. Given the various projects funded by the Holding Account and planned projects using the MCIF, a comprehensive review is needed to determine which projects have a higher priority and should proceed first, in order to minimize disruptions to operations in the building. The study, which has an estimated deadline of 30 April 2011, should provide a plan for the next ten years and beyond, to ensure that the Headquarters building remains in excellent condition.

* Unless otherwise specified, all monetary values in this document are expressed in US dollars.

Projects in PAHO/WHO Representatives' Offices in 2010–2011

8. A total of \$547,090 has been provided to six PAHO/WHO Representatives Offices (PWR)** for projects in 2010–2011 (Annex A). They include:

- \$33,000 to PWR Chile to relocate to a rented space following the February 2010 earthquake;
- \$340,242 to PWR Trinidad and Tobago to relocate to office space provided by the Member State;
- \$12,000 to PWR Panama as a partial payment for a replacement rental air conditioning system;
- \$65,000 to PWR Suriname to repair a building provided by the Member State for a Country Office site;
- \$50,800 to PWR Guyana for various repairs to a building provided by the Member State; and
- \$46,048 to PWR Haiti—\$6,048 for legal fees to purchase a plot adjoining the PWR office building, and \$40,000 to repair the PWR office building after the earthquake.

Projects planned for 2012–2013 and 2014–2019

9. Given the limited funds available, the proposed Real Estate and Buildings projects planned for the 2012–2013 will be reviewed by the Project Infrastructure Investment Committee, which was created by the Director in September 2009 to analyze the Master Capital Investment Plan projects in both subfunds and issue recommendations regarding their feasibility and priority. The distribution of projects for 2012–2013 and the subsequent biennia in the remaining ten-year plan will depend on the results of the aforementioned study at the Headquarters building, as well as the completion of similar studies in the different locations of Country Offices and Centers.

** Also referred as “Country Offices.”

Information Technology Subfund

Projects in 2010–2011

10. A total of \$1,773,000 was expended in 2010 on various Master Capital Investment Plan information technology projects (Annex B), including:

- the procurement of desktop computers, laptops, and peripherals (printers and other equipment);
- the procurement and installation of servers and hosting infrastructure;
- the upgrading and renewal of existing software and procurement of new software; and
- information security.

12. Expenditures during the biennium's second year are expected to amount to \$1,588,000 to cover:

- procurement of desktop computers and memory upgrades to allow for the migration to Windows 7;
- procurement of essential peripherals and printers;
- continued investment in servers and data storage to strengthen the Organization's "private cloud" capacity and to strengthen the capability for business continuity;
- continued investments in information security;
- continuation of software licenses for network and network hardware; and
- continued investment in software licenses.

Projects in 2012–2013 and 2014–2019

13. The projects planned for the 2012–2013 biennium (Annex B) include:

- software licenses;
- network infrastructure;
- licenses and replacement systems for telephone systems, primarily at the country level;
- information security hardware and software;

- servers and hosting infrastructure at Headquarters and Country Offices; and
- replacement of desktops, notebooks, and peripherals, including printers and scanners.

14. It is anticipated that from 2012 onwards there will be a significant shift to a server-centric computing model that emphasizes cloud computing. Consequently, the investment in desktops will shift toward notebooks replacing desktops in cases where high mobility is required.

15. The chart which outlines the 2012–2013 investment program (included in Annex B) also outlines the program for the final years of the current ten year program ending in 2019. Because the currently anticipated costs from 2014 onwards are likely to be affected by the deployment of the PAHO Management Information System (PMIS), significant changes in the projected costs are likely from that point on. At this time, these projects are included as information only.

Next Steps

16. Given the limited financial resources and the uncertainty over future funding availability, the Organization is committed to monitor and reassess essential projects and their estimated costs on an ongoing basis.

Action by the Subcommittee on Program, Budget, and Administration

17. The SPBA is invited to take note of this report and provide comments and recommendations.

Annexes

**Expenditures for 2010, planned expenditures for 2011, and total expenditures
for projects in real estate and building infrastructure, by funding source,
as of 31 December 2010 (Real Estate and Building Subfund)
(in US\$)**

	Project Description	2010 Expenditures	2011 Planned Expenditures	Total	Funding Source
Country Offices	Several repair, maintenance, and relocation requests (to be evaluated)	547,090	TBD ¹	1,184,590	MCIF²
Headquarters (D.C.)	Conduct cost-benefit engineering study of major repairs for HQ building (approved in 2008–2009)	-	50,000	50,000	MCIF
Headquarters (D.C.)	Rehab elevators in HQ building (approved by the Director in March 2008)	-	700,000	700,000	MCIF
Regional	Emergency Operations Center (EOC) and Knowledge Center (KC) (Holding Account Profile 1A)—first funding source	1,500,000	1,400,000	2,900,000	HA³
Country Offices	Improvements to facilities: Minimum Operating Security Standards (MOSS) Upgrades and security measures (Holding Account Profile 4A)	214,863	85,137	300,000	HA
Headquarters (D.C.)	Improvements to facilities: energy-saving measures (Holding Account Profile 4B)	620,000	1,100,000	1,720,000	HA
Headquarters (D.C.)	Improvements to facilities: the plaza drainage system repairs (Holding Account Profile 4C)	-	375,000	375,000	HA
Headquarters (D.C.)	Improvements to facilities: security and sanitary measures (Holding Account Profile 4D)	330,000	-	330,000	HA
Headquarters (D.C.)	Improvements to facilities: HQ office tower roof repairs (Holding Account Profile 4E)	347,000	-	347,000	HA
Headquarters (D.C.)	Improvements to facilities: renovation of Headquarters buildings (Holding Account Profile 4F)—first funding source	-	-	600,000	HA

¹ TBD = to be determined.

² Master Capital Investment Fund

³ Holding Account

**Projected costs for projects in the Information Technology Subfund,
as of 31 December 2011.
(in US\$)**

Project	2010-2011	2012-2013	2014-2015	2016-2017	2018-2019	Total
Desktops and laptops	486,200	450,000	400,000	400,000	400,000	2,136,200
Other peripherals including printers	206,900	250,000	250,000	250,000	250,000	1,206,900
Servers and hosting infrastructure	800,000	1,000,000	1,200,000	1,200,000	1,200,000	5,400,000
Information security	412,650	200,000	230,000	250,000	280,000	1,372,650
Telephony	216,800	200,000	200,000	200,000	200,000	1,016,800
Network infrastructure	110,500	200,000	200,000	200,000	200,000	910,500
Software	1,128,500	1,125,000	1,125,000	1,125,000	1,125,000	5,628,500
Totals	<u>3,361,550</u>	<u>3,425,000</u>	<u>3,605,000</u>	<u>3,625,000</u>	<u>3,655,000</u>	<u>17,671,550</u>
