

**10th SESSION OF THE SUBCOMMITTEE
ON PROGRAM, BUDGET, AND ADMINISTRATION
OF THE EXECUTIVE COMMITTEE**

Washington, D.C., USA, 30 March–1 April 2016

Provisional Agenda Item 4.5

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**Report on the Master Capital Investment Fund:
Review of the Master Capital Investment Plan**

Introduction

1. The Director presented to the 156th Session of the Executive Committee in June 2015 a Report on the Master Capital Investment Fund and Reassessment of the Real Estate Projects in the Master Capital Investment Plan (Document CE156/24, Rev. 1). The Report identified repair and renovation liabilities in PAHO-owned buildings. It estimated the costs of the needed repairs and renovations at approximately US\$ 10 million¹ for Centers and Country Offices and approximately \$50 million for the Headquarters building. The Report also outlined options available to the Organization to address the identified liabilities, and potential strategies to implement the recommended options. The Directing Council in October 2015 approved the use of portions of the International Public Sector Accounting Standards (IPSAS)/Budgetary and Revenue Surpluses to increase the Master Capital Investment Fund (MCIF).

Status of the Master Capital Investment Fund

2. 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.

¹ Unless otherwise mentioned, all figures in this Report are expressed in United States dollars.

3. As of 31 December 2015, the available budgetary fund balances in these subfunds were:

a) Real Estate Maintenance and Improvement Subfund	\$6,137,562
b) Information Technology Subfund	\$2,253,042
c) Vehicle Replacement Subfund	\$1,367,805
d) Revolving Strategic Real Estate Subfund	\$ 95,058
e) Human Resources Strategy Subfund	\$1,055,178

4. In addition, the Reserve for the Master Capital Investment Fund, established in 2007 in accordance with Resolution CSP27.R19, had a budgetary fund balance of \$4 million as of 31 December 2015, of which the Director may allocate up to \$2 million during the 2016–2017 biennium to one or more of the MCIF subfunds.

Situation Analysis

5. During 2015, PAHO allocated funds from the MCIF to implement several projects in PAHO-owned country office properties. The annex to this document reports total funds expended during the 2014–2015 biennium for these projects.

6. Considering discussion during the 156th Session of the Executive Committee regarding the options relating to the Headquarters building contained in the Report (Document CE156/24, Rev. 1), the Pan American Sanitary Bureau has undertaken in 2016 an additional study of the Headquarters area real estate market to produce a self-financing plan to implement the necessary repairs to the Headquarters building. This Report will be presented to the Subcommittee on Program, Budget, and Administration in 2017.

Action by the Subcommittee on Program, Budget, and Administration

7. The Subcommittee is invited to take note of this Report, and to provide any recommendations it might consider necessary.

Annex

Annex

MASTER CAPITAL INVESTMENT FUND
Real Estate Maintenance and Improvement Subfund
Projects implemented during 2014–2015 biennium
(as of 31 December 2015, in US dollars)

Location	Description	Total
PAHO Headquarters (Washington, D.C.)	Elevators' mechanical room temperature monitor	1,800
	Changing of chilled water	11,800
	Procurement of architectural services for installation of flagpoles	20,615
	Procurement of architectural services to create Revit background files for all floors of main building and an architectural site plan	32,922
	Procurement of HVAC units on B2 level	27,428
	Procurement of services of elevator project consultant	3,250
	Rehabilitation of four elevators	156,478
	Replacement of two electrical panels	32,200
	Security assessment for reorganization of foyer and external esplanade	22,115
Upgrading of HVAC building management technologies	38,400	
PWR* Argentina	Repairs and renovations based on Condition Assessment of 2014	20,712
	Replacement of outdated wiring and installation of new lighting system	
PWR Barbados	Replacement of emergency generator, roof straps, and fire sensors	19,867
PWR Belize	Replacement of camera surveillance system	768
PWR Colombia	Relocation of PWR office	8,389
PWR Cuba	Renovation/repairs in main office building and auxiliary building	23,874

Location	Description	Total
PWR Dominican Republic	Replacement of AC equipment	23,223
PWR El Salvador	Replacement of AC equipment	39,045
PWR Guatemala	Relocation of PWR office	27,752
PWR Guyana	Replacement of AC compressors and ducting, security upgrades, and interior space rehabilitation	17,458
PWR Haiti	Repairs and renovations based on Condition Assessment of 2014	108,946
PWR Jamaica	Repairs and renovations based on Condition Assessment of 2014 Repaving of parking lot, exterior repainting, and window blind replacement	27,611
PWR Nicaragua	HVAC, electrical, and other infrastructure rehabilitation of auditorium	77,598
PWR Peru	Interior renovation and electrical upgrade to auditorium and cafeteria	34,920
PWR Suriname	Repairs and renovations based on Condition Assessment of 2014	22,604
Total		799,775

* PAHO/WHO Representative Office.

**Information Technology Subfund
Projects implemented during 2014–2015 biennium
(as of 31 December 2015, in US dollars)**

Location	Description	Total
PAHO Headquarters (Washington, D.C.)	Procurement of software licenses and computer maintenance	880,491

**Vehicle Replacement Subfund
Projects implemented during 2014–2015 biennium
(as of 31 December 2015, in US dollars)**

Location	Description	Total
PWR Bahamas	Vehicle replacement	9,508
PWR Chile	Vehicle replacement	44,846
PWR Cuba	Vehicle replacement	7,493
PWR Dominican Republic	Vehicle replacement	19,807
PWR Ecuador	Vehicle replacement	31,782
PWR Guatemala	Vehicle replacement	22,065
PWR Mexico	Vehicle replacement	11,978
PWR Nicaragua	Vehicle replacement	17,500
	Total	164,979

**Revolving Strategic Real Estate Subfund
Projects implemented during 2014–2015 biennium
(as of 31 December 2015, in US dollars)**

Location	Description	Total
PWR Guatemala	Purchase of the PWR office	1,730,797
PWR Haiti	Reconstruction of the PWR office	1,000,000
	Total	2,730,797

**Human Resources Strategy Subfund
(a new fund created after the last Directing Council,
with no activity in the 2014-2015 biennium)**

Location	Description	Total
PAHO Headquarters (Washington, D.C.)	No activity.	1,055,178
