



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



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USE OF PROGRAM BUDGET INCOME RECEIVED EXCEEDING THE AUTHORIZED EFFECTIVE WORKING REGULAR BUDGET REPORT AND CRITERIA

Report by the Director

Introduction

1. The Director of the Pan American Sanitary Bureau presents this document to the 142nd Session of the Executive Committee in order to provide a report on the surplus financial resources from the implementation of the 2006-2007 Biennial Program Budget and to propose criteria for the utilization of these funds.

Background

2. The financial administration of the Pan American Health Organization (PAHO) is governed by the Financial Regulations of the Organization as reflected in the *Basic Documents of the Pan American Health Organization*. Financial Regulation 4.1 states, "The appropriations approved by the Conference or the Directing Council shall constitute an authorization to the Director to incur contractual obligations and make payments for the purposes for which the appropriations were approved and up to the amounts so approved."

3. The PAHO 2006-2007 Program Budget provided the Director with authority to incur contractual obligations for US\$ 187.8 million.

4. During 2006-2007, the Organization's total Biennial Program Budget income reached \$226.0 million, thus significantly surpassing the authorized appropriation of \$187.8 million. The factors which contributed to the increased income include:

- (a) *The increase in the collection of prior biennia quota assessments which exceeded the level of the delayed 2006-2007 biennium quota assessments, thus contributing to surplus income.* The collection of the prior biennia quota assessments assists in offsetting the impact of delays in current biennium quota receipts. However, during the 2006-2007 biennium, the collection of \$54.8 million in assessed quota contribution arrearages exceeded not only the \$28.5 million in delayed current biennium quota assessments, but also the \$41 million five-biennia average collection of quota arrearages.
- (b) *The \$26.4 million Miscellaneous Income figure which significantly exceeded the budgeted figure of \$14.5 million for 2006-2007, thus contributing to surplus income.* The \$26.4 million Miscellaneous Income figure is composed of \$23.1 million in interest earned on the Organization's available funds, \$399,000 in currency exchange losses, \$3.0 million in savings on unliquidated obligations from previous biennia, and \$660,000 in other income and reimbursements for charges paid by the Organization in previous biennia.
- Due to the higher level of the Organization's financial resources, as well as the higher interest rates available in the financial markets during the biennium, the Organization achieved \$23.1 million of earned interest on its available financial resources, the highest level in its history.
 - The currency exchange loss of \$399,000 reflects the financial implications of procuring services and goods in a global economy.
 - Furthermore, two governments reimbursed the Organization for prior biennia maintenance fees associated with PAHO-administered centers in their countries, which further increased the Miscellaneous Income figure.
- (c) *The implementation of the new Expenditure Recognition Policy which directly aligned activities, services, or goods with the respective expenditure during the implementation period decreased the level of pending (unliquidated) obligations at the end of the biennium, thus further contributing to the surplus.*
- The new Expenditure Recognition Policy, approved by the 47th Directing Council in September 2006, requires that financial liabilities be recognized in the financial period when the services or goods are rendered or delivered, rather than in the financial period when the services are contracted. Therefore, many services or goods contracted for during the 2006-2007 biennium will be charged to the 2008-2009 Biennial Workplan when the services or goods will be completed or delivered.

- This alignment of activities, services, and goods with expenditure during the 2006-2007 implementation period contributed to the surplus in the Organization's available financial resources.

Analysis

5. The Financial Regulations of the Organization and the resolutions of Directing Councils and Pan American Sanitary Conferences provide direction on the utilization of the Organization's financial resources.

6. The funding of the Working Capital Fund and the Holding Account is defined in Financial Regulation 4.4 which states:

“Any balance of the appropriation not obligated by the end of the current financial period, shall be used to replenish the Working Capital Fund to the fixed level, after which any residual balance will be placed in a Holding Account for subsequent use as decided by the Conference or Directing Council.”

7. As of 31 December 2007, the surplus financial resources in the 2006-2007 Regular Budget were \$38.8 million.

8. In order to fully fund the PAHO Working Capital Fund from its 31 December 2005 level of \$14.2 million to its authorized ceiling level of \$20.0 million, \$5.8 million were transferred into the Working Capital Fund at the end of the biennium.

9. The remaining \$33.05 million balance of surplus financial resources was then transferred to the PAHO Holding Account.

10. In accordance with Resolution CSP27.R19 of the 27th Pan American Sanitary Conference in October 2007, the new Master Capital Investment Fund's initial capitalization could derive from:

- “The respective balances as of 1 January 2008 in the existing PAHO Building Fund and the Capital Equipment Fund.
- Excess of income over expenditure from the Regular Program Budget funds at the conclusion of the 2006-2007 biennium.”

11. Therefore, in January 2008, the \$62,970 balance in the Capital Equipment Fund was transferred to the Master Capital Investment Fund, and the \$179,955 balance in the

PAHO Building Fund was transferred to the Master Capital Investment Fund. This resulted in a total initial balance of \$242,925 in the Master Capital Investment Fund.

12. In accordance with Resolution CSP27.R19, the Director approved the transfer of \$7.76 million from the PAHO Holding Account to the Master Capital Investment Fund in order to capitalize the new Fund to its authorized \$8.0 million ceiling.

13. The resultant balance in the PAHO Holding Account is \$25.29 million which will be utilized in accordance with the decisions by the 48th Directing Council in September 2008.

Proposal

14. During the discussion held with members of the SPBA, in a Special Session of the SPBA/2 held via teleconference on 30 April 2008, the general criteria to guide the proposals for initiatives to be considered by the Executive Committee, and for recommendation to the Directing Council for approval, were further refined.

15. **Criteria that guide the proposed initiatives are as follows:**

- Initiatives that will strengthen the Organization, whether through direct support to priority public health activities in the countries, or through the strengthening of the Secretariat's ability to support the needs of Member States;
- Initiatives that strengthen a process and generate efficiencies;
- Initiatives that create impact;
- Initiatives that minimize added recurrent costs and are sustainable within normal operations;
- Initiatives for which other funding sources are scarce or unavailable

16. In moving forward with the selection of topics to guide the nature of the specific proposals, consideration was given to the fact that certain types of activities, although desirable, already benefit from identified funding sources. For example, Millennium Development Goals (MDG) acceleration activities, which was a topic mentioned by some Member States, is already an established criterion for the use of the Country Variable Allocation portion of the PAHO regular budget. Thus, based on the refined criteria in paragraph 15, and with consideration given to existing funding opportunities for certain important initiatives, the topics considered most appropriate for the development of specific proposals to be funded primarily from the holding account are as follows:

- (a) Improve the ability of the Organization and of the ministries of health to prepare for, and continue, technical activities and operations during emergencies;
 - (b) Strengthening public health networks and health information systems in the countries;
 - (c) Modernization of the PASB's Corporate Information Systems to support a functioning results-based management (RBM) framework and the alignment with the WHO Global Management System (GSM);
 - (d) Addressing infrastructure improvements to facilities—above and beyond the provisions of the Master Capital Investment Fund—that enhance energy efficiency, and address life and safety issues as well as system and structural deficiencies.
17. Specific proposals, including estimated budgets, implementation time frame, and other possible funding sources, can be found in the attached Annex.

Conclusion

18. The Organization's External Auditor, the Comptroller and Auditor General of Great Britain and Northern Ireland, certified that the balance of \$33.05 million in the PAHO Holding Account as of 31 December 2007. In January 2008, \$7.76 million were transferred to the Master Capital Investment Fund. Thus, the current balance in the PAHO Holding Account is \$25.29 million.

Action by the Executive Committee

19. The Executive Committee is invited to take note of this report and provide further guidance on the appropriateness of the proposed activities and related budgets for recommendation to the 48th Directing Council for approval.

Annexes

Project Profile

<p>1. Project Title: Regional Strategic Health Operations Center (SHOC)</p>
<p>2. Coordinating Entity: HDM Participating Entities: HDM, PED, GSO, KSM</p>
<p>3. Beneficiaries: The entire organization (Member States, Country Offices, Technical Areas in Headquarters)</p>
<p>4. Main issues and challenges and/or problems to be addressed:</p> <p>The Strategic Health Information Center (SHOC) is a central hub that carries out the corporate functions of emergency events assessment and management, disaster response coordination and information and knowledge management. It also serves as an analysis and information exchange venue to facilitate decision-making to support the efficient and timely response to all events that may constitute a PHEIC defined as such under the International Health Regulations (2005).</p> <p>There are two states envisioned:</p> <p>Emergency Operations: PED and HDM/CD with the support of the Disaster Task Force (DTF) or the Epidemic Alert and Response Task Force (EARTF), will activate the expanded EOC when there is a need to mobilize and manage the Organization's overall response and coordinate with other institutions and agencies such as a Public Health Emergency of International Concern (PHEIC) or other health crisis. During Emergency Operations the entire SHOC facility will then be dedicated to handling the event, including the priority use of the space, knowledge management processes, and technical and human resources for coordination, operation and information activities.</p> <p>Non-emergency Operations: During regular working mode, the space will be a multi-purpose space with:</p> <ul style="list-style-type: none">• Core SHOC: The staff will permanently maintain PED and HDM/CD epidemic intelligence, monitor natural and manmade emergencies or disaster and collect, analyze and disseminate information on damage and needs assessment, disease outbreaks and other potential health consequences. PAHO, in compliance with the IHR (2005), must be accessible at all times, on a 24/7 basis since countries are required to inform PAHO within 24 hours of assessment of all events that may constitute a PHEIC.• Knowledge Center: KMS will provide the Organization support in knowledge development (brainstorming, concept mapping, capturing of lessons learned, collaborative development of good practices, etc), knowledge sharing (nurturing and facilitating communities of practice), and knowledge applications (content management, virtual collaboration, geographic information systems, etc).• Common area: Hold daily morning meetings with technical units and Country Offices to conduct risk assessment and decide on actions on current events <p>The Center, as a space for gaining knowledge, provides significant synergy and cost savings to these fundamental needs of the Secretariat by complement each other by sharing knowledge management methodologies and tools, information technology and communication infrastructure and facilities while each function benefits the other through closer interaction.</p>

<p>5. Brief description of impact: Greatly facilitate decision-making capacity to respond to emergency events, including those that may constitute a PHEIC as defined under the International Health Regulations (2005).</p>								
<p>6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result):</p> <p>RER/5.1 Member States and partners supported through technical cooperation for the development and strengthening of emergency preparedness plans and programs at all levels. RER/5.2 Timely and appropriate support provided to Member States for immediate assistance to populations affected by crises. RER/5.3 Member States supported through technical cooperation for reducing health sector risk in disasters and ensuring the quickest recovery of affected populations. RER/5.4 Member States supported through coordinated technical cooperation for strengthening preparedness, recovery and risk reduction in areas such as communicable disease, mental health, health services, food safety, and nuclear radiation.</p>								
<p>7. Total Estimated Cost: US\$ 2,000,000</p> <table><tr><td>Architects and Engineering Study</td><td>\$ 275,000</td></tr><tr><td>Construction/furnishings</td><td>\$1,250,000</td></tr><tr><td>Business Continuity Study</td><td>\$ 225,000</td></tr><tr><td>Other expenses</td><td>\$ 250,000</td></tr></table> <p>Contributions from the PAHO Holding Account: US\$ 1,500,000 Contributions from financial partners: Contributions from other sources: US\$ 500,000</p>	Architects and Engineering Study	\$ 275,000	Construction/furnishings	\$1,250,000	Business Continuity Study	\$ 225,000	Other expenses	\$ 250,000
Architects and Engineering Study	\$ 275,000							
Construction/furnishings	\$1,250,000							
Business Continuity Study	\$ 225,000							
Other expenses	\$ 250,000							
<p>8. Estimated duration (in months):</p> <p>12 months</p>								
<p>9. Comments:</p>								

Project Profile

<p>1. Project Title: National Strategic Health Operations Centers (SHOC)</p>
<p>2. Coordinating Entity: HDM Participating Entities: HDM, PED, GSO, Country Offices</p>
<p>3. Beneficiaries: Entire Organization (Member States, Country Offices, Technical Areas in Headquarters.)</p>
<p>4. Main issues and challenges and/or problems to be addressed:</p> <p>The evolving nature of natural disasters, communicable disease outbreaks, chemical and radio-nuclear incidents requires countries to enhance their capacity to manage real-time information and knowledge to better assess the health risks and respond to events that may constitute a public health emergency.</p> <p>The ministries of health play a lead role within the health sector and beyond in providing rapid assessment of emergency and rehabilitation health needs guidance and coordination when facing major disasters and epidemics. In addition, the newly revised International Health Regulations (IHR) has placed obligations on Member States to establish National Centers (IHR Focal Points) accessible at all times for communications with PAHO/WHO and to disseminate information to relevant sectors.</p> <p>The establishment of National Strategic Health Information Centers (SHOC) in each Member State will contribute to structure, organize and institutionalize the lead function of health sector in all matters related to emergency events assessment and management, disaster response coordination and information and knowledge management. The principle is to facilitate information communication, sharing, collaboration, and problem solving for public health interventions. It will provide support, both virtual and physical, to the ministries of health to serve as national network hubs for extensive information-gathering and communication using efficient information and communications technology tools. Five countries in the Region have already established SHOCs and their operation has improved the national capacity to monitor, assess and respond to public health emergencies</p> <p>The National SHOC should work in two modes:</p> <p>Emergency Operations: In case of national emergencies the operations command and control center will be activated the expanded to mobilize and manage the Ministry's overall response and coordinate with other institutions and agencies. During this mode the entire SHOC facility will then be dedicated to handling the event, including the priority use of the space, knowledge management processes, and technical and human resources for coordination, operation and information activities.</p> <p>Non-emergency Operations: the space will be multi-purpose for permanent epidemic intelligence, monitor natural and manmade emergencies or disaster and collect, analyze and disseminate information on damage and needs assessment, disease outbreaks and other potential health consequences; collaborative work on good practices, virtual collaboration, geographic information systems display, etc) and to hold regular meetings with technical units to conduct risk assessment and decide on actions on current events</p> <p>It is anticipated that the national governments will contribute to this initiative by ensuring the availability of the physical space. The resources needed to implement the National SHOCs will be used to:</p> <ol style="list-style-type: none">1) Acquire/install new technology and furnishing2) Train national staff on the functioning of the Center and the use of the new information and communication technology installed3) Develop an event management software to allow for recording of all decision and actions taken

<p>5. Brief description of impact: Greatly facilitate response to emergency events, including those that may constitute a PHEIC as defined under International Health Regulations (2005).</p>
<p>6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result):</p> <p>RER/5.1 Member States and partners supported through technical cooperation for the development and strengthening of emergency preparedness plans and programs at all levels. RER/5.2 Timely and appropriate support provided to Member States for immediate assistance to populations affected by crises. RER/5.3 Member States supported through technical cooperation for reducing health sector risk in disasters and ensuring the quickest recovery of affected populations. RER/5.4 Member States supported through coordinated technical cooperation for strengthening preparedness, recovery and risk reduction in areas such as communicable disease, mental health, health services, food safety, and nuclear radiation.</p>
<p>7. Total Estimated Cost: US\$ 3,000,000</p> <p>Contributions from the PAHO Holding Account: US\$ 1,500,000 Contributions from financial partners: US\$ 1,500,000 (cost sharing funds) Contributions from other sources:</p>
<p>8. Estimated duration (in months):</p> <p>36 months</p>
<p>9. Comments:</p> <p>Estimated Cost is based on approximately \$100,000 per country; 30 countries</p>

Project Profile

<p>1. Project title: Strengthening of public health information systems</p>
<p>2. Coordinating entity: HDM Participating entities: HDM, KMS., STI</p>
<p>3. Beneficiaries:</p> <p>All the countries in the Region of the Americas, especially those with problems related to under-registration and the quality of health information; all areas of PAHO that work with and/or need information will benefit from the organization and availability of data; also, civil society as a whole, which will be able to access health information from the all the countries in an organized manner and with the available analyses.</p>
<p>4. Main themes, challenges, needs, and/or problems to be addressed:</p> <p>PAHO needs to develop and implement a new strategy for the different health information systems that will solve current problems such as the fragmentation and lack of integration among them, the duplication of systems, which causes the countries to be overwhelmed with multiple requests for information; insufficient dissemination of the available information, etc.</p> <p>This new strategy should be based on the idea that PAHO's role in this field is: 1) to facilitate data collection in the countries by setting standards and providing technical cooperation to enable them to publicize relevant information and analyses so that all stakeholders (decisionmakers, health professionals, the media, civil society organizations, academic institutions, international organizations, etc.) can easily access it; 2) to consolidate national information and produce analyses of aggregate data at the subregional and/or regional level to support monitoring of the health situation in the Americas and compliance with the mandates issued by the Member States; 3) to develop a model for the organization of health data and information.</p> <p>Development and implementation of the new strategy will reduce the work involved in collecting data from the countries and increase the use of health information (morbidity, risk and protective factors, mortality, health services, human resources, health systems, vulnerable populations, etc.) in decision-making.</p> <p>Objectives:</p> <ol style="list-style-type: none">1. Expand the coverage and quality of health information systems in the Region to improve priority setting, monitoring of the health situation, policy and program impact assessment, etc.;2. Establish standards, flows, data collection instruments, and integrated analytical processes for all the information needed by the Secretariat to comply with its mandates, especially information related to the International Health Regulations, the Health Agenda for the Americas, and the Strategic Plan 2008-2012;3. Construct an integrated computer platform for PAHO health information systems that facilitates the collection of data from the countries and its dissemination.

<p>The following is necessary for development and implementation of the strategy for strengthening health information systems:</p> <ul style="list-style-type: none">- Identification of information needs- Diagnosis of the data collection and dissemination situation in the countries- Development of the strategy- Procurement of software- Training of personnel
<p>5. Brief description of the impact:</p> <p>Improvement of the re-collection, processing, and analysis of health information in the countries. Construction of reliable information for health situation analysis and health service, program, and policy impact assessment. Organization and improvement of information flow from the countries to PAHO and from PAHO to the countries. Organization and availability the internal information in PAHO as the basis for constructing a Health Observatory of the Countries of the Americas.</p>
<p>6. Relation to the Strategic Plan (Strategic Objective and Region-wide Expected Result):</p> <p>RER 11.2 Member States supported through technical cooperation for improving health information systems at regional and national levels. RER 11.3 Member States supported through technical cooperation to increase equitable access to, and dissemination and utilization of, health-relevant information, knowledge and scientific evidence for decision-making. RER 11.4 Member States supported through technical cooperation for facilitating the generation and transfer of knowledge in priority areas, including public health and health systems research, and ensuring that the products meet WHO ethical standards.</p>
<p>7. Estimated cost: US\$8,000,000</p> <p>Contribution from PAHO account: US\$500,000 (see comments) Contribution from financial partners: cost-sharing anticipated Contribution from other sources:</p>
<p>8. Estimated duration (in months)</p> <p>48 months</p>
<p>9. Comments</p> <p>The initial contribution with funds from the PAHO account is for an initial phase that includes consultation, consensus, and the design and preparation of a Health Observatory model with some results to lay the foundation for consultation and consensus. Based on the results, another proposal for subsequent phases will be prepared.</p>

Project Profile

<p>1. Project title:</p> <p>Adoption of Networking Strategies to Transform the Delivery of Technical Cooperation</p>
<p>2. Coordinating entity: HSS Participating entities: HSS, KMS, BIR, STI</p>
<p>3. Beneficiaries: The entire Organization (Member States, Technical Areas at Headquarters and in PAHO Representative Offices.)</p>
<p>4. Main themes, challenges, needs, and/or problems to be addressed:</p> <p>PAHO/WHO has determined that the strategy of building and strengthening institutional and social NETWORKS is one of the most important strategies for broadening its spectrum of possibilities and heightening the impact of its technical cooperation while capitalizing on the opportunities offered by the information society (also known as the network society). This strategic opening is essential for the Organization to perform its functions as a knowledge-based agency specializing in health and its role as an <i>honest broker</i> and active agent for knowledge management. This new approach is imperative for the modernization of the Organization in this era of globalization and interdependence.</p> <p>Over the past five years, a great deal of progress has been made in promoting and providing institutional support for networks and in ensuring the continuity of existing networks of proven effectiveness. Several initiatives based on the new information and communication technologies and built on a thematic network structure have been launched. Today it is essential to have interventions in place to ensure them a systematic structure and dynamic, with a view to heightening the impact of technical cooperation through greater convergence and synergies.</p> <p>Objectives:</p> <ul style="list-style-type: none">• Ensure that the PAHO's institutional thematic networks are structuring entities conducive to technical cooperation, while promoting and facilitating access to and the publication and exchange of information, knowledge, and evidence for decision-making• Strengthen PAHO strategies that are based on NETWORKS--VHL, VCPH, Observatories (several with different purposes), EvipNet, ScienTi, network of Collaborating Centers, network of Reference Centers, PAHO Portal at Headquarters and the Representative Offices--in a systemic, harmonious manner so that they mutually reinforce one another for greater impact in the countries• Contribute to ensuring that PAHO technical cooperation is based on and becomes a source of flows of up-to-date knowledge, information, and empirical evidence <p>Description of the proposal</p> <p>Knowledge and action networks do not develop spontaneously. There is a tendency to assume that every meeting or mailing list is a network, but actually, a network is effective only insofar as it actively multiplies the information flows and interaction. Therefore, it is necessary to propose systematic activity to support and strengthen the critical aspects of a network: its natural capacity (dynamic nodes that are relatively more developed), its flows for different types of exchange, some metrics systems (to strengthen weaker flows and increase access), and to invest in appropriate technology to multiply points of entry in an integrated fashion in available systems in the regions in which we work (for example, in integration with cellular data networks).</p>

The project is based on the knowledge and experience in networking that PAHO has amassed historically, which should be rapidly enhanced with learning and the appropriation of international state-of-the-art knowledge about cooperation through networks, including the intensive use of solutions and technologies that facilitate the operation of collaborative online opportunities in the form of virtual communities.

Cooperative work through thematic networks is considered essential for progress toward improving the quality, sustainability, and impact of technical cooperation programs and actions in the field of health.

Expected benefits

As a knowledge-based organization, PAHO will strengthen the cooperative work modality through thematic social networks for the management and implementation of its technical cooperation programs and activities, using an approach designed to steadily increase the rationality, convergence, and interoperability of initiatives, resources, and related processes.

The thematic social networks linked with PAHO technical cooperation should converge operations in the common sites of the VHL and VCPH, which are promoted and coordinated by PAHO as public goods for cooperative management of scientific and technical information, knowledge, and evidence, and for the cooperative management of human resources education.

New opportunities for collaborative work and learning in networks are being created inside the health systems and services themselves, with methodological and technological tools that will make it possible to improve the competencies of the public health workforce.

Principal Processes

The Plan of Action and activities that the Project will promote are part of health network strengthening through technical cooperation and are related to the *processes of*:

- Convergence
- Standardization
- Training
- Information and Knowledge
- Management
- Research
- Technology infrastructure

4. Brief description of the impact:

Consolidate PAHO's evolution as a learning organization.

Impact indicators:

- Administrators, professionals, and technical personnel of at least 80% of the Member States participating in educational activities generated by the VCPH and its network of nodes
- At least 50% of the AMPES Projects of the Technical Areas at PAHO Headquarters (FCH, HDM, HSS, SDE, THR) included in the Biennial Work Program 2012-13 have educational components that use the VCPH platform
- At least 60% of PAHO's professional staff (Headquarters, Representative Offices, and Centers) will have participated in an educational activity sponsored by the VCPH in the biennium 2010-11

<p>6. Linkage to the Strategic Plan (Strategic Objective and Region-wide Expected Result):</p> <p>SO/RER 13.04 Member States supported through technical cooperation to strengthen education systems and strategies at the national level, with a view to develop and maintain health workers' competencies, centered on Primary Health Care.</p>
<p>7. Estimated cost: US\$4,000,000</p> <ul style="list-style-type: none">• Personnel: US\$ 1,000,000• Institutional development and infrastructure: US\$ 500,000• Convergence of languages: US\$ 500,000• Operations research and evaluative studies: US\$ 500,000• Training of personnel: US\$ 1,000,000• Meetings and interaction: US\$ 500,000 <p>Contribution from the PAHO account: US\$500,000 (see comments) Contribution from financial partners: cost-sharing anticipated Contribution from other sources:</p>
<p>8. Estimated duration (in months)</p> <p>48 months</p>
<p>9. Comments</p> <p>The initial contribution with funds from the PAHO account is for an initial phase that includes consultation, consensus, and design, as well as analysis of the methodologies, technologies, and exchanges with other systems. Based on the results of the analysis, a proposal for subsequent phases will be prepared.</p>

Project Profile

<p>1. Project Title: Strengthening Communications through Improvement of Country Office Connectivity</p>
<p>2. Coordinating Entity: AM Participating Entities: ITS, IKM, BIR</p>
<p>3. Beneficiaries: Country Office and Centers</p>
<p>4. Main issues and challenges and/or problems to be addressed: Implementation of a Virtual Private Network (VPN) to provide the connectivity required by a modernization of corporate management systems and to increase communications capacity, bandwidth, security, and reliability which will enable and support social networking, knowledge sharing, electronic meetings and video conferencing, and interconnections of health systems and institutions. It also will provide a foundation for future direct Member State involvement in the activities of the Secretariat.</p>
<p>5. Brief description of impact: To Achieve minimum standard of connectivity which will provide equity and access by all countries to participate in PAHO computer based systems, including administrative, technical, collaborative, communications and knowledge based system.</p>
<p>6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result): RER 15.2 Effective PAHO/WHO country presence established to implement the PAHO/WHO Country Cooperation Strategies (CCS) which are 1) aligned with Member States' national health and development agendas, and 2) harmonized with the United Nations country team and other development partners. RER 16.4 Information Systems management strategies, policies and practices in place to ensure reliable, secure and cost-effective solutions, while meeting the changing needs of the PASB.</p>
<p>7. Total Estimated Cost: US\$ 3,250,000 Contributions from the PAHO Holding Account: US\$ 250,000 (see comments) Contributions from financial partners: Contributions from other sources:</p>
<p>8. Estimated duration (in months): 36 months</p>
<p>9. Comments: The \$250,000 investment is seen as a first phase in order to determine needs. Future funding requirements would depend on the results of the first phase. It should be noted that this proposal will generate recurring costs at the level of approximately \$1.5 million per year.</p>

Project Profile

<p>1. Project Title: Modernize the PASB Corporate Management System</p>
<p>2. Coordinating Entity: PBR Participating Entities: PBR, AM, ITS, FRM, HRM, PRO, KMS</p>
<p>3. Beneficiaries:</p> <p>All internal and external stakeholders.</p>
<p>4. Main issues and challenges and/or problems to be addressed:</p> <p>Major reforms have been implemented in the PASB planning process within the RBM framework to ensure alignment with WHO's MTSP and the Health Agenda for the Americas, and to enhance accountability and transparency to Member States. The PASB's information systems, while independently functional, require investment to increase integration of information and to respond to WHO GSM requirements.</p>
<p>5. Brief description of impact:</p> <p>The improved RBM capability and administrative efficiencies will benefit all units in PAHO as well as outside stakeholders.</p>
<p>6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result):</p> <p>RER 16.1 PASB is a results-based organization, whose work is guided by strategic and operational plans that build on lessons learned, reflect country and subregional needs, are developed jointly across the Organization, and are effectively used to monitor performance and evaluate results.</p> <p>RER 16.2 [insert RER text here – management of financial resources]</p> <p>RER 16.3 [insert RER text here – management of human resources]</p> <p>RER 16.4 Information Systems management strategies, policies and practices in place to ensure reliable, secure and cost-effective solutions, while meeting the changing needs of the PASB.</p> <p>RER 16.5 Managerial and administrative support services, including procurement, strengthened to enable the effective and efficient functioning of the Organization.</p> <p>RER 16.6 PASB strengthened through institutional development reforms and a physical working environment that is conducive to the well-being and safety of staff.</p>
<p>7. Total Estimated Cost: To be determined</p> <p>Contributions from the PAHO Holding Account: US\$ 1,000,000 (see comments) Contributions from financial partners: Contributions from other sources:</p>

8. Estimated duration (in months):

To be determined

9. Comments:

The \$1,000,000 investment will be used to set up a model/prototype office to more fully explore PAHO business processes and how they could be improved to align with WHO and to support a robust RBM framework that would reflect the same level of integration and interoperability that WHO expects to achieve through implementation of the WHO Global Management System (GSM). It would also assist PAHO in articulating the differences in business processes between PAHO and WHO as they relate to RBM and how this would function under WHO's Global Management System (GSM). This will provide a set of functional specifications for a PAHO CMS modernization effort and a foundation for consulting with member States about the various modernization options.

Project Profile

<p>1. Project Title: Modernize the Service Model for the Delivery of IT and KM Services</p>
<p>2. Coordinating Entity: ITS Participating Entities: ITS, KMS, Country Offices and Centers</p>
<p>3. Beneficiaries: All PAHO Entities</p>
<p>4. Main issues and challenges and/or problems to be addressed: Reduce the maintenance and management of the IT infrastructure in field offices; decrease current security vulnerabilities; provide one common image for all PAHO supported languages, reducing the management of desktops in country offices and simplifying local office support. Centralization of all helpdesk services; i.e., desktop proximity support, KMS helpdesk functions, and other currently decentralized IT related support functions throughout HQ. This would be modeled after the ITIL (Information Technology Infrastructure Library) concept which WHO has standardized on. It centers around a Single Point of Contact, increased communication channels and improving IT and KMS delivery of services to the Organization.</p>
<p>5. Brief description of impact: Defined service levels providing reliable and predictable service standards.</p>
<p>6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result): RER 15.2 Effective PAHO/WHO country presence established to implement the PAHO/WHO Country Cooperation Strategies (CCS) which are 1) aligned with Member States' national health and development agendas, and 2) harmonized with the United Nations country team and other development partners. RER 16.4 Information Systems management strategies, policies and practices in place to ensure reliable, secure and cost-effective solutions, while meeting the changing needs of the PASB.</p>
<p>7. Total Estimated Cost: US\$ 1,488,000 Contributions from the PAHO Holding Account: \$500,000 Contributions from financial partners: Contributions from other sources:</p>
<p>8. Estimated duration (in months): 27 months</p>

9. Comments:

The \$500,000 represents an initial investment. Future investment will depend on additional information obtained.

In the first phase, ITS would upgrade and redesign the network to meet future requirements, migrate and update our systems to current releases, put in place IT services continuity at country level and do some server consolidation for the initial amount of USD 500 000.

In a second phase we would tackle the standard desktop followed by another phase where we change the support model and service model based on ITIL.

The total expenditure to cover all of the above phases to achieve the goals of the project is expected to cost a maximum of US\$ 1,488,000.

Project Profile

1. Project Title: Improvements to facilities: MOSS upgrades and security measures
2. Coordinating Entity: AM Participating Entities: AM, GSO, Country Offices
3. Beneficiaries: PAHO staff members in Country Offices
4. Main issues and challenges and/or problems to be addressed: Over the past several years, the U.N. system has mandated security improvements (known as Minimum Security and Safety Standards or MOSS) to office locations worldwide, and the need for these security upgrades especially since various terrorist assaults on U.N facilities such as Baghdad and Algiers. PAHO traditionally funds security improvements from the individual PWR budget, but the needs of technical cooperation efforts severely limit the funds which can be diverted to security. This influx of funds will assist the Country Offices in completing their current mandatory requirements.
5. Brief description of impact: A one-time assist to country offices to complete MOSS upgrades.
6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result): RER 15.2. Effective PAHO/WHO country presence established to implement the PAHO/WHO Country Cooperation Strategies (CCS) which are 1) aligned with Member States' national health and development agendas, and 2) harmonized with the United Nations country team and other development partners. RER 16.6 PASB strengthened through institutional development reforms and a physical working environment that is conducive to the well-being and safety of staff.
7. Total Estimated Cost: US\$ 300,000 Contributions from the PAHO Holding Account: US\$ 300,000 Contributions from financial partners: \$0 Contributions from other sources: \$0
8. Estimated duration (in months): Funds should be spent over a six month period.
9. Comments:

Project Profile

<p>1. Project Title: Improvements to facilities: energy savings measures</p>
<p>2. Coordinating Entity: AM Participating Entities: AM, GSO</p>
<p>3. Beneficiaries: All staff members working in Washington, D.C., and visiting Member status and outside stakeholders</p>
<p>4. Main issues and challenges and/or problems to be addressed: The Organization's principal physical asset is the Headquarters office tower and conference wing. Completed in 1965, the HQ Building requires on-going maintenance to ensure its continued usefulness to support the technical cooperation efforts with the member states. Due to a lack of funding, the 1999-2002 renovation did not replace the heating and ventilation systems on the 2nd and 10th floor or the electrical cabinets on these floors. All of the windows in the building date from 1965 and are single pane and very energy inefficient. Recent improvements in building reconstruction, as well as UN-wide initiatives, encourage "green roofs" to save energy and the conference building roof would be a good candidate, especially because its replacement is overdue.</p>
<p>5. Brief description of impact: The cost of energy continues to increase dramatically and all of the above projects, while costly in the short term, will reduce the growing financial impact in the future of energy bills at the Headquarters location</p>
<p>6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result): RER 16.6 PASB strengthened through institutional development reforms and a physical working environment that is conducive to the well-being and safety of staff.</p>
<p>7. Total Estimated Cost: US\$ 2,900,000</p> <p>Contributions from the PAHO Holding Account: US\$ 500,000 Contributions from financial partners: \$0 Contributions from other sources: MCIF</p>
<p>8. Estimated duration (in months): Each project would have different lengths, but work would require approximately 2 years to complete.</p>
<p>9. Comments: The \$500,000 represents an initial investment. As more information of costs is obtained, a further proposal may be submitted with updated costs.</p>

Project Profile

1. Project Title: Improvements to facilities: plaza drainage system
2. Coordinating Entity: AM Participating Entities: AM, GSO
3. Beneficiaries: Staff members and visitors using the main building in Washington, D.C.
4. Main issues and challenges and/or problems to be addressed: The Organization's principal physical asset is the Headquarters office tower and conference wing. Completed in 1965, the HQ Building requires on-going maintenance to ensure its continued usefulness to support the technical cooperation efforts with the member states. The ground level plaza drainage system has not received a major repair effort since installation in 1965, and rainwater is seeping into the garage, threatening the major repairs made two years ago to the garage floors. As part of systemic and regular maintenance, a complete resealing of drains and surfaces is required to preserve the structural integrity of the Building.
5. Brief description of impact: A full and complete repair will maintain the structural integrity of the Building and avoid future, more costly repairs.
6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result): RER 16.6 PASB strengthened through institutional development reforms and a physical working environment that is conducive to the well-being and safety of staff.
7. Total Estimated Cost: US\$ 375,000 Contributions from the PAHO Holding Account: US\$ 375,000 Contributions from financial partners: Contributions from other sources:
8. Estimated duration (in months): 6 to 8 months
9. Comments:

Project Profile

1. Project Title: Improvements to facilities: security and sanitary measures
2. Coordinating Entity: AM Participating Entities: AM, GSO
3. Beneficiaries: Member states, visitors and PAHO staff members using the main building
4. Main issues and challenges and/or problems to be addressed: The Organization's principal physical asset is the Headquarters office tower and conference wing. Completed in 1965, the HQ Building requires on-going maintenance to ensure its continued usefulness to the support technical cooperation efforts with the member states. There have been no improvements to the lobby and 2nd floor levels, including the 2nd floor restrooms which are used by the numerous visitors to the conference facilities. In addition, the lobby was not designed for the security requirements of a post 9/11 era, and improvements are needed to ensure staff safety.
5. Brief description of impact: Security for staff members and visitors would be improved if the lobby guard desk received updates. Also, the usefulness of the conference areas would be enhanced by these improvements.
6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result): RER 16.6 PASB strengthened through institutional development reforms and a physical working environment that is conducive to the well-being and safety of staff.
7. Total Estimated Cost: US\$ 330,000 Contributions from the PAHO Holding Account: US\$ 330,000 Contributions from financial partners: \$0 Contributions from other sources: MCIF
8. Estimated duration (in months): Work could be completed in approximately 1 year
9. Comments:

Project Profile

1. Project Title: Improvements to facilities: HQ office tower roof
2. Coordinating Entity: AM Participating Entities: AM, GSO
3. Beneficiaries: Member Status, visitors and PAHO staff members using the main building
4. Main issues and challenges and/or problems to be addressed: The Organization's principal physical asset is the Headquarters office tower and conference wing. Completed in 1965, the HQ Building requires on-going maintenance to ensure its continued usefulness to support the technical cooperation efforts with the member states. The roof over the main HQ office tower has undergone several small repairs since being built, but sound maintenance standards require a major replacement of the roof layers to prevent damage from water seepage. This repair is past the scheduled replacement date by at least a decade. There are increasing leaks during rain storms, causing further damage within the building.
5. Brief description of impact: Completion of this project will preserve the building for several decades.
6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result): RER 16.1 PASB is a results-based organization, whose work is guided by strategic and operational plans that build on lessons learned, reflect country and subregional needs, are developed jointly across the Organization, and are effectively used to monitor performance and evaluate results.
7. Total Estimated Cost: US\$ 250,000 Contributions from the PAHO Holding Account: US\$ 250,000 Contributions from financial partners: \$0 Contributions from other sources: \$0
8. Estimated duration (in months): 12 months
9. Comments:

Project Profile

1. Project Title: Improvements to facilities: refurbish Rooms A, B, C in HQ building
2. Coordinating Entity: AM Participating Entities: AM, GSO
3. Beneficiaries: PAHO
4. Main issues and challenges and/or problems to be addressed: The Organization's principal physical asset is the Headquarters office tower and conference wing. Completed in 1965, the HQ building requires on-going maintenance to ensure its continued usefulness to support the technical cooperation efforts with the members states. The existing chairs and conference tables in conference Rooms A, B, and C are approximately 20-25 years old and require replacement. Extensive use has weakened the back supports of the chairs, and they are breaking with increasing frequency. The veneer on the surfaces of the conference tables has been refinished numerous times until it is now too thin to be repaired.
5. Brief description of impact: The useful life of the furniture has past its expected lifetime, and replacement will maintain conference facilities for several decades.
6. Linkage to the Strategic Plan (Strategic Objective and Region-wide expected result): RER 16.6 PASB strengthened through institutional development reforms and a physical working environment that is conducive to the well-being and safety of staff.
7. Total Estimated Cost: US\$ 575,000 Contributions from the PAHO Holding Account: US\$ 575,000 Contributions from financial partners: \$0 Contributions from other sources: MCIF
8. Estimated duration (in months): 6 to 8 months
9. Comments:

Proposal of Initiatives to be Funded from the Holding Account							
(Summary Table)							
No.	Title	Description	Estimated Budget Total *	Estimated from Holding Account 2008-2009	Estimated from Holding Account Future Periods	Estimated from Holding Account Total	Other Possible Funding Sources
1.A	Regional Strategic Health Operation Center (SHOC)	A regional SHOC is a central hub that carries out the corporate functions of emergency events assessment and management, disaster response coordination and information and knowledge management. It also serves as an analysis and information exchange venue to facilitate decision-making to support the efficient and timely response to all events that may constitute a PHEIC as defined under the International Health Regulations (2005). For further details, please refer to the proposal profile in Annex 1.A.	2,000,000	1,000,000	500,000	1,500,000	- Master Capital Investment Fund (MCIF); - possible voluntary contributions
1.B	National Strategic Health Operation Centers (SHOC)	Establishment of "SHOCs" in countries to enhance the capacity of countries to manage real-time information and knowledge to better assess the health risks and respond to events that may constitute a public health emergency, such as: natural disasters, communicable disease outbreaks, chemical and radio-nuclear incidents, and to meet new IHR requirements. For further details, please refer to the proposal profile in Annex 1.B.	3,000,000	500,000	1,000,000	1,500,000	- Matching funds (cost sharing) from voluntary contributions
2.A	Strengthening PAHO Public Health Information Systems	Develop and implement a new strategy for the different health information systems that will solve current problems such as the fragmentation and lack of integration among them, the duplication of systems, which causes the countries to be overwhelmed with multiple requests for information; insufficient dissemination of the available information, etc. For further details, please refer to the proposal profile in Annex ...	8,000,000	Phase 1 500,000	TBD	TBD	- Matching funds (cost sharing) from voluntary contributions
2.B	Adoption of Networking Strategies to Transform the Delivery of Technical Cooperation	PAHO/WHO has determined that the strategy of building and strengthening institutional and social NETWORKS is one of the most important strategies for broadening its spectrum of possibilities and heightening the impact of its technical cooperation while capitalizing on the opportunities offered by the information society (also known as the network society). This strategic opening is essential for the Organization to perform its functions as a knowledge-based agency specializing in health and its role as an honest broker and active agent for knowledge management. This new approach is imperative for the modernization of the Organization in this era of globalization and interdependence. For further details, please refer to the proposal profile in Annex ..	4,000,000	Phase 1 500,000	TBD	TBD	- Matching funds (cost sharing) from voluntary contributions

Proposed Initiatives to Be Funded from the Holding Company Account (cont.)

2.C	Strengthening Communications through Improvement of Country Office Connectivity	Implementation of a Virtual Private Network (VPN) to provide the connectivity required by a modernization of corporate management systems and to increase communications capacity, bandwidth, security, and reliability which will enable and support social networking, knowledge sharing, electronic meetings and video conferencing, and interconnections of health systems and institutions. It also will provide a foundation for future direct Member State involvement in the activities of the Secretariat. For further details, please refer to Annex 2.C.	3,250,000	250,000	TBD	TBD	MCIF and/or normal ITS budget
3.A	Modernize the PASB Corporate Management System	Major reforms have been implemented in the PASB planning process within the RBM framework to ensure alignment with WHO's MTSP and the Health Agenda for the Americas, and to enhance accountability and transparency to Member States. The PASB's information systems, while independently functional, require investment to increase integration of information and to respond to WHO GSM requirements. For further details, please refer to the proposal profile in Annex ...	TBD **	Phase 1 1,000,000	TBD	TBD	Unknown
3.B	Modernize the Service Model for the Delivery of IT and KM Services	Reduce the maintenance and management of the IT infrastructure in field offices; decrease current security vulnerabilities; provide one common image for all PAHO supported languages, reducing the management of desktops in country offices and simplifying local office support. For further details, please refer to the proposal profile in Annex 3.B.	1,488,000	Phase 1 500,000	TBD	TBD	MCIF
4.A	Improvements to facilities: MOSS upgrades and security measures	A one-time assist to country offices to complete MOSS upgrades. For further details, please refer to the proposal profile in Annex 4.A.	300,000	300,000	0	300,000	
4.B	Improvements to facilities: energy savings measures	HQ building and conference center: many components of the building are original (1965) and are in need of replacement. These include: the induction heating/cooling system and electrical cabinets on 2nd & 10th floor; the windows of both the main building and the conference center; and the conference center roof. For further details, please refer to the proposal profile in Annex 4.B.	2,900,000	500,000	TBD	TBD	MCIF
4.C	Improvements to facilities: plaza drainage system	There are leaks in the plaza drainage system and as a matter of regular maintenance cycle, they should be replaced. For further details, please refer to the proposal profile in Annex 4.C.	375,000	375,000		375,000	
4.D	Improvements to facilities: security and sanitary measures	Security upgrades in lobby & 2nd floor; sanitary improvements in HQ building restrooms. For further details, please refer to the proposal profile in Annex 4.D.	330,000	0	330,000	330,000	MCIF

Proposed Initiatives to Be Funded from the Holding Company Account (cont.)

4.E	Improvements to facilities: HQ office tower roof	The roof over the main HQ office tower I is past scheduled replacement. There are increasing leaks during rain storms, causing further damage within the Building. For further details, please refer to the proposal profile in Annex 4.E.	250,000	250,000	0	250,000	MCIF
4.F	Improvements to facilities: refurbish Rooms A, B, C in HQ building	The existing furniture in conference Rooms A, B, and C are between 20-25 years old and could be replaced. The veneer on the tables is thin and does not permit refinishing. For further details, please refer to the proposal profile in Annex 4.F.	575,000	0	575,000	575,000	MCIF
Total			26,468,000	5,675,000	2,405,000	TBD ***	
NOTES:							
*	Estimated Budget Total represents a preliminary figure based on known circumstances. These estimates are subject to modification as new information becomes available.						
**	The estimated total budget for item 3.A is unknown at this time. The figure depends on several factors that are currently under analysis. As the results of the analysis become more evident, and a more definitive course of action can be undertaken, an updated estimated total budget will be provided.						
***	The total estimated from the Holding Account cannot be determined until the estimates of the individual items become known.						

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