BUREAU of FINANCIAL MANAGEMENT

Mrs. Magdolina Bona, CFO – January 2021
Capital and Strategic Investment (CSI) Special Account

**Purpose**

- IT investment (cybersecurity, ERP upgrade or reimplementation)
- Strategic reengineering / transformation initiative (e.g. Web site)
- Building renovation/construction/significant maintenance

**Timeframe**

Projects up to 20 years life duration

No programmatic initiative envisaged

Ref Q1;5;8
Sustainable funding

Initial funding

- Available and unused financial resources (OPF)

Regular funding

- 1% POC on personnel costs
- contribution to CSI from rentals *
- Reserves in excess (OPF)
- Unspent Regular assessed budget

* introduction of a contribution for CSI to be paid by all tenants, which would also bring the rent level charged to Delegations closer to the market rate
CSI vs HQF Options for Miollis/Bonvin renovations

A comprehensive CSI (as proposed in the EB doc)

- Purpose includes Miollis/Bonvin
- Uncommitted HQF building reserves > CSI
- Funding includes rental charges under HQF for CSI
- Surpluses of the HQF transferred CSI
- Financial regulations of the HQF to be amended

Two source of financing

- HQF reserves for Miollis/Bonvin site
  - financing assured through HQF + assessed budget
  - HQF excluded from CSI scope
  - CMP II to separate the capital investment
  - CMP II to separate the capital investment for Fontenoy
  - Fontenoy building remains under CSI

- CSI (excluding HQF)
  - Purpose excludes Miollis/Bonvin

2 options

Ref Q4
Financial regulations of the CSI to include clear and specific description of the scope of the use of the funds. - Intended to be presented to 211th EB session.

Each proposal for the use of the funds would be put to the Executive Board for approval.
210th EB – endorse the principle of CSI

Policy paper / Financial Regulations to be revised

211th EB approval for CSI creation
High-Level Committee on Management has completed its work on ASHI working Group

Ongoing discussions at UN level (FNB network, UNGA etc.)

7 recommendations Executive Board at its 201st session (201 EX/5 Part IV (B)).

Options to be proposed to the 214th Session
Other long-term funding requirements

What about the "rainy day reserve"?

• Currently covered by:
  • Part V for the 40 C/5
  • Supplementary appropriation up to 7.5% budget subject to GC resolution
  • Working Capital Fund
  • Reserves of certain revenue generating funds (e.g. MCA, HQF)

• Could propose an operational "rainy day" reserve for RP costs, but likely to be high, and requires flexibility and freedom to use