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PREMISES

Memorandum by the Director General

HIGHLIGHTS

- (i) WIPO has an **urgent need**, both in the short term and in the long term to have additional working places, additional conference and meeting facilities, and additional parking spaces. Moreover, there is a need to bring together and re-group units of the Secretariat which are now dispersed in a number of buildings.
- (ii) The future needs for **working places** have been analyzed for each of the six Parts of the Draft Program and Budget for the 1998-99 biennium, taking into account both growth trends in each area and the savings in staff expected to result from effective use of information technology in WIPO's operations, to provide ranges of numbers of staff members and of working places needed by year. For 2008, it is forecast that WIPO will need 1,213 to 1,501 working places, implying increases of 42% to 76% in ten years over the situation of 852 working places needed in mid-January 1998. A figure of 1,429 working places for 2008 is used for planning purposes.
- (iii) As concerns **conference and meeting facilities**, there are urgent needs for more meeting rooms with interpretation facilities and audio-visual equipment, office space for officers of meetings, parking spaces and computer and communications facilities for delegates, as well as a longer term need for a larger main conference room.
- (iv) For operational and financial reasons, premises solutions, both for the short term and the long term, should ideally be located **on or near WIPO's present city block**; having a building at a "satellite" site located a distance away, possibly near the Geneva airport, includes high additional "indirect costs" which make it an uneconomic solution.
- (v) **Rental** of additional premises involves much higher costs than ownership, as well as various other disadvantages, so (while needed in the short term) cannot be considered as an acceptable long term solution.
- (vi) To address the urgent need for a significant increase in working places, it is proposed (along with the additional short term rental of premises included in the 1998-99 budget), to **renovate, modernize and extend the WMO Building** (whose purchase by WIPO is already contracted for) and to connect it to WIPO's other owned buildings; the construction work would be completed in 2001 at a cost of about 30.4 million francs. Some 430 working places would be added to the 579 in the WIPO, BIRPI I and BIRPI II Buildings, giving a total of 1,009 working places, which are necessary but insufficient for the longer term. Some 500 additional working places are needed, in proximity to WIPO's city block, for the long term solution.
- (vii) Negotiations should be undertaken in order to implement one of two alternatives to provide the necessary additional office space: *either* the **purchase of the Procter & Gamble Building** *or* the **purchase of the Steiner lot** (now, however, without the condition that the Steiner firm must be the general contractor) and construction, in a fully competitive environment, of an office building on the Steiner lot. Uncertainties include whether the P&G firm is willing to negotiate a reasonable price, and the final price for purchasing the Steiner lot unconditionally and the cost of construction thereon. Those alternatives can be compared as follows:

	<u>P&G Building</u>	<u>Steiner lot Building</u>
Working places	500	about 500
Parking spaces	294	about 300
Cafeteria seats	200	about 300
Cost (including land)	asking price 100 million francs	estimated 60 to 65 million francs
Availability	in 1998	in 2002

(viii) To address the urgent need for conference and meeting facilities, it is proposed to **convert the Mezzanine floor of the WIPO Building** to be essentially for meetings and use by delegates; the Mezzanine conversion would cost 950,000 francs and be completed within six months. (A longer term solution for a larger main conference room should be considered only once the decision has been taken concerning the P&G Building *or* the Steiner lot Building.)

(ix) The **financing** of the above-mentioned projects would cost between about 91 to 96 million francs (if including the Steiner lot purchase and construction) and 131 million francs (if including the purchase of the P&G Building). Those amounts would be taken from the fund established for that purpose--the Special Reserve Fund for Additional Premises and Computerization--whose level (after providing for the purchase of the WMO Building) is about 203 million francs. The elimination of rent for premises for the staff of the Secretariat and the rental income that would result from renting out excess office space until needed would provide a reasonable investment return.

PRESENT SITUATION

1. **Owned and rented buildings.** WIPO now owns three buildings (the WIPO, BIRPI I and BIRPI II Buildings) and rents office space in five buildings* in Geneva (the Centre administratif des Morillons (CAM) Building, Union Carbide/United Nations High Commissioner for Refugees (UC/UNHCR) Building, International Business Machines (IBM) Building, Procter & Gamble (P&G) Annex and International Migration Organisation (OIM) Building), and rents parking spaces in those rented buildings as well as in the Parking des Nations. Those buildings are shown in Plan 1; all plans are contained in the Annex to this document.

Table 1

2. **Effective capacity of working places and parking spaces.** The office space and related space for staff and other personnel working in these buildings will provide the numbers of working places given in Table 1 (upon completion of the conversion of the Mezzanine floor of the WIPO Building (see paragraph 32, below)). Since 811 working places were occupied as of mid-January 1998, there was then a reserve of only 30 working places, which is clearly insufficient. In particular a reserve is needed at any time of some 5% of the total number of working places, since the sizes of various units of the Secretariat cannot always match the space available, in order to provide flexibility (for consultants and changing requirements), and to provide for small meeting rooms in the various buildings; thus about (811 plus 5% equals) 852 working places were already needed in mid-January 1998. Table 1 also shows the numbers of parking spaces in WIPO's owned buildings and in rented premises; the parking is insufficient for the staff.

Building	Effective Capacity (Working places)	Parking Spaces
WIPO	281	215
BIRPI I	171	24
BIRPI II	<u>107</u>	<u>-</u>
(Sub-total owned)	<u>(559)</u>	<u>(239)</u>
CAM	122	109
OIM	15	-
UC/UNHCR	122	56
IBM	15	3
P&G	8	10
Parking des Nations	<u>-</u>	<u>196</u>
(Sub-total rented)	<u>(282)</u>	<u>(374)</u>
Total	841	613

3. **Dispersal of staff.** As a result of the rapid growth of the Secretariat and the associated need to rent various premises to accommodate them, the units of the Secretariat are dispersed in various premises, and are often not located close to other units with which there are close operational contacts. Moreover, having staff dispersed in a number of buildings results in higher operating costs for communications, security and administration of various premises. There is thus a pressing need for a rationalization to bring together and re-group units of the Secretariat according to operational needs and responsibilities.

* The lease situation for the rented buildings is as follows: the lease in the OIM Building ends December 31, 1998; the lease for the P&G Annex ends June 30, 1999; the lease in the IBM Building ends June 30, 1999; the lease in the UC/UNHCR Building ends June 30, 1999, with the possibility of extension until December 31, 1999; the lease for the CAM Building provides that WIPO may leave as of December 31, 1999, and may stay until at least December 31, 2004. It can be assumed that buildings may continue to be rented beyond the present end-of-lease dates.

4. **High cost of rental.** As noted in Sub-program 18.1 of the Draft Program and Budget for the 1998-99 Biennium, the rental of office space and parking spaces in Geneva is expected to cost about 2.8 million francs per year; on average, commercial rental costs amount to about 10,200 francs per working place and about 1,600 francs per parking space. Rental of premises also involves related costs for transformation and re-configuration of premises to accommodate staff, and for moving staff into premises. (The independent consultant, STG-Coopers & Lybrand Consulting SA, noted that rental of premises is much more expensive than ownership for WIPO; see paragraph 46, below.)

5. **WMO Building.** WIPO has contracted to purchase the present World Meteorological Organization (WMO) Building, which is located on the same city block as the WIPO, BIRPI I and BIRPI II Buildings, for 34,272,000 francs, as approved by the Governing Bodies in 1992, to be financed from the Special Reserve Fund for Additional Premises and Computerization (see paragraph 9, below). Since WMO expects to have its new building completed by the end of 1998, the completion of the purchase is expected to occur in early 1999, and the present WMO Building will belong to WIPO at that time.

6. **Conference and meeting facilities.** The WIPO Building includes two conference rooms with interpretation: Conference Room A with 270 seats (of which 220 with desks for delegates) and six interpretation languages, and Conference Room B with 83 seats (of which 56 with desks for delegates) and three interpretation languages. There are also four meeting rooms without interpretation ("Salle Céleste" in the CAM Building with 31 seats, and three rooms on the Mezzanine floor of the WIPO Building with some 32, 24 and 18 seats at table, respectively).

7. **No parking for delegates.** There is no parking provided for delegates; delegates have to park in the area by the front door of the WIPO Building and using the very limited on-street parking.

8. **Other facilities.** The WIPO and CAM Buildings each have a cafeteria (for 230 and 98 persons, respectively), open also to the public, and there is an official dining room for 12 persons in the WIPO Building. Receptions take place in the lobby of the WIPO Building. A travel agency and a "Cassamat" bank machine are located in the BIRPI I Building, available also to the public. There are technical facilities and storage space in the basements of the WIPO and BIRPI I Buildings and in the central core of the CAM Building. WIPO also rents storage space in two depots (Collex and Meyrin) for PCT international application files, furniture and equipment.

9. **Special Reserve Fund for Additional Premises and Computerization.** This fund, hereinafter referred to as the "Special Reserve Fund," was established in 1989 in order to finance the additional premises needed to accommodate the increased number of staff and additional equipment required to handle the ever-increasing level of activities of the Organization, and for the investments needed in connection with a fuller computerization of its operations. As indicated in Sub-program 17.2 of the Draft Program and Budget for the 1998-99 Biennium, the expected level of the Special Reserve Fund as of December 31, 1997, is about 237 million francs. After the purchase of the WMO Building which is already contracted for (see paragraph 5, above), the balance of the Special Reserve Fund would be about 203 million francs. WIPO is therefore in the fortunate position of having funds available, in a

reserve fund established for that purpose, to finance the future investments needed to provide a long term solution to its premises needs.

NEEDS FOR WORKING PLACES AND ASSOCIATED FACILITIES

10. **Urgent needs.** As noted in the Draft Program and Budget for the 1998-99 Biennium, the continued growth of WIPO's activities—in particular, cooperation for development, the intellectual property information systems and services, the operations of the PCT and the Madrid systems, and arbitration and mediation services—makes necessary more staff and therefore more office space to provide more working places, along with the associated needs for parking places, storage space and cafeteria seating. There are 717.5 posts proposed for 1998 and 732.5 posts proposed for 1999; in addition, nine posts are proposed (in document A/32/4) for information technology projects to be financed from the Special Reserve Fund, and three posts are proposed (in document A/32/5) for supporting the development and deployment of the PCT automation project, also to be financed from the Special Reserve Fund. Applying a 20% factor, to allow for additional consultants, short-term staff, etc. (see paragraph 15, below), plus the 5% factor for reserves, there will be about 919 working places needed by end-1998 and about 938 working places needed by end-1999. Since the effective capacity of WIPO's owned and rented premises is only 841 working places (as indicated by Table 1 on page 1), there is an urgent need for more working places in the very short term (see paragraph 38, below).

11. **March 1996 forecasts of working places needed.** It is recalled that, in March 1996, the forecasts (in round numbers) shown in the second column of Table 2 were given by the Secretariat, in document WO/BC/XIV/2 - WO/PC/V/2. The third column shows the corresponding figures including reserves of 5% needed at any time. It can be seen that the end-1999 situation now expected of 938 working places needed is slightly higher than the 1999 figure (including 5% reserves) of 924 shown in Table 2.

Table 2

Year	Forecasts of Working Places Needed	
	in March 1996	With 5% Reserves
1997	775	814
1998	825	866
1999	880	924
2000	940	987
2001	1,000	1,050
2002	1,050	1,103
2003	1,100	1,155
2004	1,160	1,218
2005	1,215	1,276
2006	1,275	1,339

12. **Independent expert/Sugden report.** The May 1996 joint session of the Budget and Premises Committees recommended that an independent expert give his opinion on the Secretariat's assessment of its needs for premises up to the year 2006. The independent expert chosen was Mr. Alec Sugden, former Assistant Comptroller of The Patent Office of the United Kingdom. In his July 1996 report (contained in document WO/BC/XV/2-WO/PC/VI/2), Mr. Sugden projected a range of some 1,040 to 1,300 working places for the year 2006 (the range essentially reflecting different forecasts for numbers of PCT international applications (IAs) and Madrid registrations and renewals), with his most likely figure being around 1,180. (The Secretariat's figure of 1,275 was based, *inter alia*, on the expectation of some 84,000 PCT IAs for 2006, while Mr. Sugden forecast around 82,000 IAs; his lower number of 1,180 mainly reflected expected savings from automation and related efficiency gains.) He stated that planning should probably be on the basis that the number would be in the upper end of the range rather than the lower. Mr. Sugden did not analyze the possible growth year by year, but observed that since the largest of his projections gave a figure close to the above-mentioned figure of 1,275, the year by year development for his largest projection might

be taken to be similar to that suggested in the above table. He added that as much flexibility as possible for adjustment up or down should be included in the plans, as developments yet to come in automation may enable staff numbers to be reduced relative to the number of patent applications and trademark registrations, and growth in the number of applications and registrations may be less or more than predicted; the plans should therefore be flexible in either direction.

13. The September 1996 joint session of the Budget and Premises Committees approved a text which, *inter alia*, stated that the joint session “notes with appreciation and approval the findings in the report of the independent expert, Mr. Alec Sugden; ...”.

14. **Uncertainty in forecasts.** There is inevitably a degree of uncertainty in the forecasts of the number of working places needed in the future, especially since the growth of the use of the PCT, Madrid and Hague systems will depend upon the future economic situation worldwide, accessions of new member States, and new features of those systems. At the same time, information technology will significantly affect WIPO’s operations in various ways (recognizing that the longer term impact is uncertain, since future information technology developments and their impact are as yet unknown). With respect to the figures given in Table 2 (on page 3) and in paragraph 12, above, the following factors, in particular, indicate the need to make new forecasts:

- On the one hand, the growth in the use of the PCT has been higher than had previously been forecast, with 54,422 IAs in 1997 (as compared to the forecast of 43,000 IAs contained in the budget for the 1996-97 biennium), and continuing high rates of growth could lead to a need for a higher number of additional working places. (Even conservative forecasts of future growth would result in many more than the 82,000 to 84,000 IAs previously forecast for the year 2006.) A higher level of Madrid system activity can also be expected, assuming that certain countries (including, in particular, the United States of America and Japan) and the European Community join the Madrid Protocol in the near future. Furthermore, additional working places will be needed for cooperation for development activities, for staff and consultants working on the WIPO Global Information Network, and further working places may be needed for the WIPO Arbitration and Mediation Center.

- On the other hand, there should be a significant impact on the need for working places as a result of the increased use of information technology in WIPO’s operations. In particular, the move towards electronic filing, with the EASY approach, the re-engineering of the present processing of IAs, and the development of a major new document management information system for the PCT should generate reductions in the number of staff required to process a given volume of PCT IAs, and other staff savings should result from replacing paper by electronic communications (e.g., a greater use of Internet for sending documents to member States, and using Intranet for circulating material within the Secretariat) and from other productivity gains. At the same time, some additional office space may be needed to accommodate the associated information technology equipment. Moreover, the increased use of information technology should free up and make available a certain number of working places now occupied by compactuses, filing rooms, etc. It is assumed that about 20 working places would thereby be made available over a period of several years, beginning with, say, 10 in the year 2000 and another 10 a year later; those additional working places are shown in the appropriate tables.

15. **Forecasts of needs for working places.** In order to make new forecasts of the needs for working places, which reflect the above-mentioned factors, and to extend the forecast to cover the ten-year period to 2008, the following approach has been taken. For each of the six “Parts” of the Draft Program and Budget for the 1998-99 Biennium, scenarios have been developed to give a range of likely numbers of staff members in posts as of the end of each of the years after 1999; in light of the number of staff administering the PCT system, Part V (Global Protection Systems and Services) is sub-divided into “PCT” and “Madrid/Hague.” Those scenarios are summarized in the following paragraphs, with the ranges of staff members for each Part and the total number of staff members shown in Table 3 (on page 6). Then, to provide forecasts of numbers of working places needed, a factor of +20%* is applied, to reflect the need for working places for consultants, short-termers, translators working under special service agreements, staff financed by trust funds, contractors working in WIPO’s buildings (including firms involved in computerization developments, staff of the cafeteria caterer, staff of the in-house travel agency, cleaning staff, etc.), external auditors, trainees, and staff of the Office of the International Union for the Protection of New Varieties of Plants (UPOV), and a factor of +5% is applied to provide for the reserve needed at any time (see paragraph 2, above). The resulting forecasts of numbers of working places needed are also shown in Table 3.

16. **Forecasts for Part I: Policy, Direction and Management.** A small rate of growth is expected for the activities of each of the Office of Strategic Planning and Policy Development, the Office of Legal and Organization Affairs (recognizing that the activities of the WIPO Arbitration and Mediation Center could lead to a considerable increase in the number of working places needed), the Office of Internal Oversight and Productivity, and the Office of Global Communications and Public Diplomacy (noting that improvements in the information system for publications sales and the gradual shift from paper to electronic form for publications, utilizing, for example, WIPO’s Global Information Network, could reduce the number of working places needed for publication sales and distribution). A rate of growth of staff of 2% to 4% per year is forecast for the years after 1999.

17. **Forecasts for Part II: Cooperation for Development and WIPO Worldwide Academy.** Continuing increases are expected in the activities, including Cooperation with Developing Countries, Cooperation with Certain Countries in Europe and Asia, and Human Resources Development and the WIPO Worldwide Academy, with information technology developments both increasing the demand for assistance in the future and enabling new forms of assistance to be provided. A rate of growth of staff of 5% to 8% per year is forecast for the years after 1999.

18. **Forecasts for Part III: Progressive Development of Intellectual Property Law and Standing Committees.** As international interest in intellectual property matters continues to grow, reflecting, in particular, new issues to be resolved, which often derive from the information revolution (e.g., Enforcement of industrial property rights in global electronic commerce; Protection of databases; Copyright related rights and digital technology), a small rate of growth of staff is expected to continue, which is forecast at 2% to 4% per year after 1999.

* In past years, experience showed that a +25% factor was needed to provide working places for these personnel. However, as the end-1999 situation of 787 working places occupied was 20.2% above the 1997 Revised number of 654.5 posts, a factor of only +20% is used in the present analysis.

Table 3: Forecasts of Numbers of Staff Members and Needs for Working Places to 2008

Year	Staff Members						Working Places			
	I	II	III	IV	V		VI	Total Staff Members	Total Working Places (Including 5% Reserve)	Estimate for Planning (Low + 75% of difference)
	Policy, Direction & Management	Cooperation for Development & WIPO Worldwide Academy	Progressive Development of International Intellectual Property Law & Standing Committees	Global Information Network & Intellectual Property Information Services	Global Protection Systems & Services		General Support Services			
				PCT	Madrid/Hague					
1997R	55	75.5	25	33	227.5	65.5	173	654.5	825	
1998	73.5	88	32	44	242	70.5	179.5	729.5	919	
1999	73.5	88	32	44	254.5	73	179.5	744.5	938	
2000	75 - 76	92 - 95	33 - 33	46 - 48	255 - 291	76 - 86	186 - 193	763 - 822	961 - 1,036	1,017
2001	77 - 79	97 - 103	34 - 35	48 - 52	257 - 303	79 - 100	186 - 195	778 - 867	980 - 1,092	1,064
2002	79 - 82	102 - 111	35 - 36	51 - 56	249 - 302	86 - 119	191 - 204	793 - 910	999 - 1,147	1,110
2003	81 - 85	107 - 120	36 - 37	54 - 60	251 - 313	96 - 124	190 - 203	815 - 942	1,027 - 1,187	1,147
2004	83 - 88	112 - 130	37 - 39	57 - 65	253 - 318	106 - 130	193 - 212	841 - 982	1,060 - 1,237	1,193
2005	85 - 92	118 - 140	38 - 41	60 - 70	261 - 331	110 - 136	192 - 212	864 - 1,022	1,089 - 1,288	1,238
2006	87 - 96	124 - 151	39 - 42	63 - 76	272 - 347	115 - 142	197 - 223	897 - 1,077	1,130 - 1,357	1,300
2007	89 - 100	130 - 164	40 - 44	66 - 82	286 - 367	119 - 148	198 - 226	928 - 1,131	1,169 - 1,425	1,361
2008	91 - 104	137 - 177	41 - 46	69 - 89	297 - 384	124 - 155	204 - 236	963 - 1,191	1,213 - 1,501	1,429

19. **Forecasts for Part IV: Global Information Network and Intellectual Property Information Services.** There are 35 posts budgeted for 1999 in the Draft Program and Budget for the 1998-99 Biennium plus a further nine posts for proposed information technology projects to be financed from the Special Reserve Fund (document A/32/4), giving a total of 44 posts for 1999. Recognizing the growing importance of information technology, for the Global Information Network and intellectual property information services to be offered worldwide, as well as for the internal information services to improve the productivity of operations within the Secretariat, it is expected that there will be growing numbers of information technology staff and consultants. A rate of growth of staff of 5% to 8% per year is forecast for the years after 1999.

20. **Forecasts for Part V: Global Protection Systems and Services.**

(i) As concerns the *PCT system*, there are 251.5 posts budgeted for 1999 in the Draft Program and Budget for the 1998-99 Biennium plus a further three posts for supporting the development and deployment of the PCT automation project to be financed from the Special Reserve Fund (document A/32/5), giving a total of 254.5 posts for 1999. Two forecasts are made for the growth of numbers of international applications (IAs): a conservative forecast of growth at 5,000 IAs per year after 1998, and a higher forecast that IAs will grow at 15% for 1998 (as for 1997; the average has been 16% yearly since 1992), then at 8,000 IAs per year until 2003, then at 7,000 IAs per year thereafter. The numbers of staff members that would be needed according to the present means of handling IAs are calculated, then a number of adjustments are made to reflect the savings in staff in various areas of activity expected to result from the introduction of a major new electronic document management system, the gradual use of the EASY system and electronic filing of IAs, and from productivity gains through other improvements in the processing of IAs. Those savings in staff are based upon considerations in the extensive PCT document management study just completed by the consultants Deloitte & Touche Consulting/Praxis plc. With those savings, the following forecasts are made: for the scenario of conservative growth, the numbers would go from 255 staff members to handle 64,000 IAs in 1999, to 249 staff members to handle 79,000 IAs in 2002, to 261 staff members to handle 94,000 IAs in 2005, and 297 staff members to handle 109,000 IAs in 2008; for the scenario of higher growth, the numbers would go to 302 staff members to handle 95,000 IAs in 2002, to 331 staff members to handle 117,000 IAs in 2005, and 384 staff members to handle 138,000 IAs in 2008.

(ii) As concerns the *Madrid system*, there are 60.5 posts budgeted for 1999. The major uncertainties concern the timing of accessions to the Madrid Protocol of a number of countries (including the United States of America and Japan) and the European Community, and the impact of that on the level of Madrid system activity. An underlying growth of 5% per year in numbers of applications for international registration is assumed, and two scenarios are made concerning the impact of accessions to the Madrid Protocol. Under the lower growth scenario, it is assumed that the number of staff members related to the volume of registration activity would grow at 5% per year after 1999, plus a further 10% in each of the years 2002, 2003 and 2004; under the higher growth scenario, it is assumed that the number of such staff members would grow at 5% per year after 1999, plus a further 20% in each of the years 2000, 2001 and 2002. Since the operations under the Madrid system are now essentially paperless, due to the extensive use of modern information systems, no further savings in staff are expected to accrue from further information technology developments, assuming that the

Offices joining the Madrid system would participate fully in the electronic exchange of data.

(iii) As concerns *the Hague system*, there are 12.5 posts budgeted for 1999. The growth of applications for international deposit and renewals or prolongations is expected to be at about 4% to 5% per year, with a higher rate of growth expected to follow after the entry into force, probably around 2005, of a new Act of the Hague Agreement expected to be adopted by a diplomatic conference in 1999. At the same time, the application of information technology to Hague system operations is expected to produce staff savings. The overall result of these factors is that rates of growth of staff of 3% to 6% per year are forecast for the years after 1999.

21. **Forecasts for Part VI: General Support Services.**

(i) As concerns *Human Resources Management*, 30 posts are budgeted for 1999. It is assumed that the number of staff in this area will grow at about the same rate as the overall number of staff members in the Secretariat; a rate of growth of one or two staff members per year is forecast for the years after 1999.

(ii) As concerns the *Finance Division* (and the Office of the ADG), 38 posts are budgeted for 1999. While a considerable increase in workload is expected, especially due to the expected growth in the use of the PCT, Madrid and Hague systems and in the use of arbitration and mediation services, a lower rate of growth of staff members, of two to three per biennium, is expected, due to productivity gains to be brought about by the new FINAUT 2000 computer system.

(iii) As concerns the *Languages Division*, 34 posts are budgeted for 1999. It is forecast that the number of staff members will continue to grow at a rate of two to four per biennium, reflecting, on the one hand, the ever-increasing demand for translations into more languages and, on the other hand, developments in information technology (including terminology data bases and computer-assisted translation) which should bring about productivity gains.

(iv) As concerns the *Conference and Operational Services Division*, higher levels of activity are expected with more meetings to be serviced, higher levels of procurement activity, and increasing volumes of communications and correspondence; additional professional staff will be needed, particularly to ensure that the WIPO printing plant is equipped with state-of-the-art technology in an integrated printing network, to develop an integrated records management system for managing electronic and paper-based communications and documents, and to take full advantage of deregulation of the telecommunications market in Switzerland. Through taking maximum advantage of information technology, using the Global Information Network for the distribution worldwide of information and documents, using the Intranet to reduce internal paper flows, implementing the above-mentioned technology in the printshop and with much reduced printing of PCT pamphlets following large-scale automation of the PCT system, and bringing together the presently dispersed staff of the Secretariat, there will be major productivity gains which will enable the above-mentioned higher levels of activity to be handled effectively with the overall numbers of staff members being held at and going below the present level of 57.5 budgeted for 1999.

(v) As concerns the *Buildings Division*, 20 posts are budgeted for 1999. Following an initial increase to deal with various construction projects, a conservative growth of one staff member for every biennium thereafter is estimated, assuming that the presently dispersed staff of the Secretariat are brought together.

22. **Resulting forecasts of numbers of working places needed.** Table 3 on page 6 indicates the resulting ranges of numbers of working places expected to be needed until the year 2008. For planning purposes, it is assumed that figures in the higher end of the ranges should be used, i.e., half way from the mid-point of the range to the higher end of the range, giving estimates of 1,110 working places needed in 2002, with 1,238 working places needed in 2005 and 1,429 working places needed in 2008.

NEEDS FOR CONFERENCE AND MEETING FACILITIES

23. **Urgent needs.** As noted in the Draft Program and Budget for the 1998-99 Biennium, the present conference and meeting facilities are inadequate. There are urgent requirements for more meeting rooms with interpretation facilities and audio-visual equipment, parking spaces for delegates, office space for officers of meetings, computer and improved communications facilities for delegates, as well as a longer term need for a larger main conference room.

24. **More meeting rooms.** With consultations increasingly taking place in Groups of member States, and with the establishment of the Industry Advisory Commission and the Policy Advisory Commission, there is an ever-increasing need for more meeting rooms and for meeting rooms having interpretation. A number of meeting rooms will also be needed for various human resources development activities. With information technology developments making computer-based presentations more and more frequent, the need to have such rooms equipped with computer-related audio-visual equipment is evident. Furthermore, it is expected that a number of meeting rooms, in close proximity to each other, will be needed for hearings as part of the dispute resolution procedures for cases submitted to the WIPO Arbitration and Mediation Center.

25. **Parking spaces for delegates.** The situation referred to in paragraph 7, above, is unsatisfactory: an adequate number of parking places should be available for delegates, and for others visiting the Secretariat.

26. **Offices for officers of meetings.** The extremely tight office space situation of the Secretariat has meant that it has not been possible to provide offices for officers of meetings, apart from an office made temporarily available recently for the Chairperson of the WIPO General Assembly. There should be sufficient office space available to provide offices for the officers of meetings.

27. **Computer and communications facilities for delegates.** At the December 1996 Diplomatic Conference on Certain Copyright and Neighboring Right Questions, held at the *Centre International de Conférences de Genève* (CICG), a number of personal computers with printers and telecommunications links were made available for delegates to use for writing reports and sending those via e-mail and Internet; similar facilities were provided, in an *ad hoc* way, at the September-October 1997 sessions of the Governing Bodies, and will be provided for the March 1998 sessions of the Assemblies of Member States of WIPO. A number of delegates have indicated that they found those facilities particularly useful, and it is expected that the demand for such facilities will be on-going and growing.

28. **Larger Main Conference Room.** In his July 1996 report, Mr. Sugden stated that the expansion of membership of the Organisation and increasing interest in intellectual property matters made it likely that a divisible 400 seat conference room would be needed within the next few years, as existing and planned facilities in Geneva did not appear to be flexible enough to cope with the Organization's likely needs. Furthermore, the report in February 1997 by the independent consultant STG-Coopers & Lybrand Consulting SA (see paragraph 39, below) stated that, in view of the urgent need for WIPO to have a conference room which it can use freely and in view of the situation in the Geneva market, it would seem that the most realistic solution would be for WIPO to build a conference room of its own which could be rented to

others (other international or private organizations) when not occupied. Recent experience has confirmed the need for having a larger main conference room, as Conference Room A can no longer accommodate all the delegates for Assemblies of the WIPO Member States and other important meetings; moreover, a larger main conference room is needed for periodic meetings of the staff of the Secretariat. It is now considered appropriate to plan for a somewhat larger main conference room, having at least 400 seats (and preferably 450 to 500 seats), with interpretation in six languages, to be located as close as possible to the present conference rooms. It is recommended, however, that consideration of this question be postponed until after a decision has been taken regarding the choice between the P&G Building and the Steiner lot Building (see paragraphs 55 to 63, and 64 to 73, below).

29. **Associated facilities.** Associated with the need for increased conference and meeting rooms are associated facilities including a delegates lounge, a coffee bar, adequate cafeteria seating for large numbers of delegates at large conferences, additional toilets, a waiting room for interpreters, document production and distribution facilities, and working places for the Secretariat staff serving conferences and meetings.

**STEPS PROPOSED TO BE TAKEN
IN THE IMMEDIATE FUTURE**

30. **WIPO Mezzanine conversion.** In order to address immediately the needs identified in paragraphs 24, 26 and 27, above, it is planned to convert the Mezzanine floor of the WIPO Building to be essentially for meetings and use by delegates, to provide three meeting rooms with interpretation facilities plus one other meeting room, additional toilets, an office for the Chairperson of the WIPO General Assembly, space which can be used for further meeting rooms (for delegates, for human resources development or for arbitration and mediation hearings) or as offices for officers of meetings, and a room* with personal computers, printers and telecommunication links to provide delegates with ready e-mail and Internet communications, and conference support facilities. The three meeting rooms would be created from the former Library stacks (now room 1.27), the former Library reading room (now room 1.25), and room 1.1, as shown in Plan 2; modern audio-visual equipment for computer-based and other presentations would be provided in each of those meeting rooms. The cost of the conversion, estimated at about 950,000 francs, would be financed from the Special Reserve Fund. Upon completion of the conversion, which will take about six months, the Organization will have the following conference and meeting facilities in the WIPO Building:

Table 4

	Number of languages of interpretation	Number of seats	Number of seats with desks for delegates
Conference Room A	six	270	220
Conference Room B	three	83	56
Conference Room C (ex-Room 1.27)	three	56	36
Conference Room D (ex-Room 1.25)	two	44	24
Conference Room E (ex-Room 1.1)	two	42	22
Room 1.2	-	12	12

31. While the conversion of the WIPO Mezzanine floor will provide a significant improvement in the conference and meeting facilities provided for delegates, the needs for a larger main conference room, parking for delegates and other conference facilities remain. These will have to be dealt with in the longer term.

32. **Renovation, modernization and connection of WMO Building.** As noted in paragraph 5, above, the WMO Building, located on the same city block as the WIPO, BIRPI I and BIRPI II Buildings, is expected to become available to WIPO in early 1999. Unfortunately, the two parts of that building (the long building constructed in 1960 and the tower constructed in 1970) are not in good condition: while the reinforced concrete structure itself is in good condition, the other parts are not, namely, the facades (containing asbestos, and with woodwork in bad condition), the ceilings (lacking soundproofing), the underfloors (without cabling channels), the roof (which needs improved waterproofing) and the technical

* When not needed for meetings, this room could also be used for staff training.

installations (water and heating tubing rusted, and systems uneconomic; air conditioning only in the meeting room, with unrepairable equipment; electrical cabling not up to current security norms; virtually no fire detection system); these all need to be replaced in order to have a building conforming to modern standards of functionality, safety, security and energy conservation.

33. When renovated and modernized, with the present meeting room replaced by offices, the WMO Building can provide some 300 working places, a cafeteria for 250 people, 80 underground parking spaces plus a few parking spaces by its front door. In addition, to facilitate the effective movement of persons, documents and materials, and for the connection of technical installations, the WMO Building should be connected to the present WIPO-BIRPI I-BIRPI II Buildings complex, and it is proposed that that be undertaken both through an underground passage (with skylights) connecting all those buildings and through an aerial passageway connecting the WMO and BIRPI II Buildings (since the Geneva authorities have stated that pedestrian access must be maintained between those buildings). The resulting WIPO-BIRPI I-BIRPI II-WMO Buildings complex is shown in Plan 3.

34. A preliminary study by WIPO's consulting architect (Mr. Jean-Pierre Stefani, who was the architect for both the CAM Building and the BIRPI II Building) indicates that the cost for the renovation and transformation of the WMO Building, and its underground and aerial connections, would be about 16.4 million francs, which amount would be financed from the Special Reserve Fund.

35. The renovation and modernization of the WMO Building, with the associated connections to the WIPO-BIRPI I-BIRPI II Buildings complex, is estimated to take about 24 months, which could begin in early 1999 (after immediate planning work which would lead to the granting of a building permit in 1998, and assuming that WMO will, in fact, vacate the building by the end of 1998, as has been planned and so far confirmed by WMO's Building Manager), and be completed by early-2001. Recognizing WIPO's pressing need for additional working places, it is planned to have an early renovation of the present tower of the WMO Building so that about 100 working places would be made available within about six months (i.e. in the latter half of 1999) of WIPO taking possession of the building.

36. **Resulting situation.** When the renovation and modernization of the WMO Building is completed, there would be the following number of working places, parking spaces and cafeteria seats in the year 2001 in the buildings owned by WIPO and located on its city block:

Table 5

Building	Working Places	Parking Spaces	Cafeteria Seats
WIPO	281	215	230
BIRPI I	191	24	-
BIRPI II	107	-	-
WMO	300	80	250
Total	879	319	480

37. The resulting situation concerning the needs for working places and the capacity of WIPO's premises is shown in Table 6 (on page 14), which assumes (in order to show what WIPO's owned premises can provide) that all rentals would end once the WMO Building renovation and modernization will be completed; an immediate and continuing need for

Table 6: Needs for Working Places and Capacity of Premises With WMO Building Renovation and Modernization
(Assuming Ending All Rentals Once WMO Building Renovation and Modernization Completed)

Date	Working Places Needed (Including Reserve)	Capacity of Premises					Total	Result
		WIPO/BIRPI I/ BIRPI II	CAM/ OIM	UC/UNHCR P&G/IBM	WMO			
Jan 1998	825	559	137	145	-	841	16	
Dec 1998	919	559	137	145	-	841	-78	
Dec 1999	938	559	137	145	100	941	3	
Dec 2000	1,017	569	137	145	100	951	-66	
Dec 2001	1,064	579	-	-	300	879	-185	
Dec 2002	1,110	579	-	-	300	879	-231	
Dec 2003	1,147	579	-	-	300	879	-268	
Dec 2004	1,193	579	-	-	300	879	-314	
Dec 2005	1,238	579	-	-	300	879	-359	
Dec 2006	1,300	579	-	-	300	879	-421	
Dec 2007	1,361	579	-	-	300	879	-482	
Dec 2008	1,429	579	-	-	300	879	-550	

working places is indicated, the need being especially significant as from the year 2001. That result is scarcely surprising, since the 300 working places provided by the renovated and modernized WMO Building essentially only replace the 282 working places now in rented premises. Thus the WMO Building would effectively only enable the staff now dispersed in rented premises to be brought together, but it does not provide the additional working places needed for a long term solution.

38. **Immediate rental of additional premises.** It is clear from Table 6 (on page 14) that, even with the currently rented office space in the CAM, OIM, UC/UNHCR, P&G and IBM Buildings, WIPO will have a shortfall in working places in the very near future. It is therefore planned to rent a number of additional working places in the very near future, including some 50 more working places in the vicinity of the WIPO Building and possibly in the vicinity of the CAM Building, with associated parking spaces, as of mid-1998. The duration of the rental of those working places will depend upon which solution is adopted for addressing WIPO's long term needs for office space. A financial provision of 1,010,000 francs for renting additional office space and parking spaces is included in the Draft Program and Budget for the 1998-99 Biennium. (It is noted that if the additional rented premises are in the P&G Building, then the associated rental cost would not be lost if that building were to be purchased in the near future (see paragraphs 55 to 63 below), as the rental cost could be credited towards the purchase price.)

CONSIDERATIONS FOR LONG TERM
PREMISES SOLUTIONS

A. Office space/Working places

39. **Co-location of staff.** Plan 1 indicates the present situation of the staff of the Secretariat being dispersed in eight buildings: the WIPO-BIRPI I-BIRPI II Buildings complex with the nearby P&G Annex, UC/UNHCR Building and IBM Building, and the CAM and IOM Buildings located about 1.5 kilometers away. It would obviously be advantageous to have all the staff of the Secretariat located together, with units of the Secretariat re-grouped according to operational needs and responsibilities. Indeed, the February 1997 report of the independent consultant STG-Coopers & Lybrand Consulting SA (chosen following the recommendation of the Budget and Premises Committees at their September 1996 joint session, and the decision of the General Assembly at its September-October 1996 session, that an independent consultant be appointed to identify, evaluate and report on rental, purchase and construction options available in Geneva to WIPO for meeting its premises and conference facility needs), presented to the Budget and Premises Committees at their April 1997 joint session in document WO/BC/XVI/2-WO/PC/VII/2, indicated that there were significant “indirect costs” of having staff in two locations more than two minutes apart, due to the loss of time for staff going back and forth between buildings, the costs of the shuttle bus, and the extra staff (messengers, shuttle-bus driver, receptionist, maintenance staff, building technician, security personnel) and other costs associated with having a double location. It follows that proposals for premises to provide additional working places should ideally involve construction on WIPO’s present city block or the purchase of premises or construction on land in very close proximity to that.

40. **Construction on WIPO’s city block.** As concerns construction on WIPO’s present city block to provide additional working places, possibilities for the extension of the WMO Building, which would ideally be undertaken at the same time as the renovation and modernization of that building, are examined in paragraphs 52 to 54, below. However, as that extension would not provide a long term solution to WIPO’s premises needs, other alternatives still need to be considered.

41. **Purchase of nearby additional premises.** As concerns the possibility of purchasing an existing building, a new possibility, not considered by the independent consultant as it was not then available, has just emerged, namely the purchase of the Procter & Gamble Building located across the street (*chemin Pré-de-la-Bichette*) from the WMO Building. Since that building is in the closest possible proximity to WIPO’s present city block, it has a clear advantage over any other possible purchase alternative. Because of that ideal location, that building is considered for the alternative of purchase of nearby additional premises, and is described in paragraphs 55 to 63, below.

42. **Construction of additional premises.** As concerns plots on which a building could be constructed, it is clear that the “Steiner lot”, located across the street from the entrance to the WIPO Building, is also in the closest possible proximity to WIPO’s present city lot, so would also be an ideal location. It can be expected that the construction cost for a given building would be the same whether it was constructed there or elsewhere. The alternative of construction of additional premises to address the needs for additional working places is

therefore considered only on the Steiner lot, and the construction of a building for WIPO on that site is described in paragraphs 64 to 73, below.

43. **Satellite site.** An analysis has also been undertaken of the possibility of locating some 400 working places (which might grow to 600 in 10 years) elsewhere in Geneva, at what could be termed a “satellite” site located near the Geneva airport. The possibility is examined in paragraphs 74 to 78, below, with the calculation of costs including a further quantification by the independent consultant of the “indirect costs” referred to in paragraph 39, above.

44. **Conditions offered by the Swiss Confederation.** It is recalled that the Swiss Confederation generously offered, through the *Fondation des immeubles pour les organisations internationales* (FIPOI) to finance 50% (up to 48 million francs) of the cost of construction on the Steiner lot through an interest-free loan repayable over 50 years, and has indicated that it could study the possibility of transferring the future loan to other properties (provided that the eventual solution would not be more expensive than the project for the Steiner lot, that the indirect costs would be duly taken into account and that there would be joint financing), but stated that rental of an existing building could not be subsidized. However, the Secretariat considers that it would be inappropriate to ask for such a loan. WIPO does not need funds to be made available, since the Special Reserve Fund already has 203 million francs available (after providing for the purchase of the WMO Building) whereas, when consultations began with the Swiss authorities, the Special Reserve Fund was at a considerably lower level, and was therefore not then sufficient to finance the cost of additional premises. Moreover, it appears unreasonable for WIPO, which has its reserve funds on deposit with the *Banque Nationale Suisse* of the Swiss Confederation, now earning 3.25% per annum, to effectively ask the Swiss Confederation to lend the funds back to WIPO interest free. Furthermore, the premises that would be constructed would initially have excess working places, to be rented out until needed by the Secretariat, so any interest-free loan would effectively be subsidizing a commercial operation, at least for a few years. Therefore the financial figures which follow do not take account of any possible participation by the Swiss Confederation in the financing of construction or purchase of a building to satisfy WIPO’s long term needs for additional premises.

45. **Conditions offered by the State of Geneva.** The State of Geneva (Republic and Canton of Geneva) has generously offered to make a site available to WIPO in the form of a free of charge leasehold arrangement (*droit de superficie*), whether the Steiner lot (that it would acquire from the Steiner firm) or another lot already owned by the State of Geneva or to be acquired (provided that the acquisition price could be justified). The Secretariat understands that that has been the usual practice of the State of Geneva for international organizations: WIPO benefits from a free of charge *droit de superficie* for the land on which the WIPO, BIRPI I and BIRPI II Buildings are situated, and will soon benefit from such an arrangement in respect of the WMO Building. The matter of whether the State of Geneva would, at this time, wish to acquire the land associated with WIPO’s long term premises solution remains to be discussed with it; therefore the financial figures which follow do not take account of any possible participation by the State of Geneva in the financing of the land component.

46. **Rental of premises.** The independent consultant noted that rental of premises is substantially more expensive than ownership, particularly in view of the facilities offered by the Swiss Confederation and the State of Geneva; for properties offered for either sale or rental,

the rental costs ranged between 178% and 250% of the financial costs associated with the acquisition of the same property; even without any support from the Swiss Confederation and the State of Geneva, the figures of the independent consultant show that the rental costs were still between 118% and 170% of the financial costs associated with the acquisition of the same property. As noted in paragraph 4, above, commercial rental costs amount to about 11,800 per year per working place with a parking space; the high annual costs that would be incurred if only continuing to rent can be seen by multiplying that amount by the “result” figures of working places needed in Table 6 (on page 14), which indicates that the annual costs of commercial rental could rise to over six million francs per year as of 2008. Rental also involves further disadvantages, such as the need to transform premises to adapt them to WIPO’s requirements, the limited duration of rental agreements and the absence of real estate equity appreciation. The rental option was thus considered by the independent consultant to be financially unsuitable and indeed bad for WIPO, as it would result in the wasting of the Organization’s own funds. Although the rental of premises can offer flexibility, which could provide an advantage in the light of the uncertainty as to what will be WIPO’s actual future needs for working places, the high cost of rental of premises and the other above-mentioned disadvantages preclude it from being an acceptable long term solution to WIPO’s needs for office space.

47. It is recognized that rental of office space has been necessary to provide working places to accommodate the rapid growth of the Secretariat, pending finding a long term solution (and, indeed, as noted in paragraph 38, above, the rental of further working places is urgently needed). However, in light of the high cost to the Organization of rental of premises, it would be appropriate for a long term solution involving owned premises to be found as soon as possible, so that the Secretariat can vacate its rented premises as soon as possible, and thereby save the high cost of rental of working places and parking spaces.

48. In looking for additional premises for immediate rental, the Secretariat has observed (both in the past and now) that office space near the *Place des Nations* is difficult to obtain and is relatively expensive, since office space in the area is highly sought after, especially by Permanent Missions to the United Nations and the Specialized Agencies, and by various inter-governmental and non-governmental organizations. The flexibility offered by rental of premises can therefore be used advantageously by WIPO in the following way. Instead of renting *in* additional office space, at high cost, WIPO could acquire office space that would be sufficient for its long term needs, and then rent *out* the office space that was not needed in the short term; the rental income thereby obtained would provide a reasonable return on the investment of WIPO’s capital from the Special Reserve Fund.

B. Conference facilities

49. **Larger Main Conference Room.** It is evident that the larger main conference room should be located in close proximity to WIPO’s other conference facilities, so that delegates can go from one conference room to another without having to leave the complex of buildings, and so that the Secretariat can service meetings in the most efficient way. It is therefore only realistic to consider possibilities of locating a larger main conference room on WIPO’s present city block or on land adjacent to that. That larger main conference room should be fully equipped with modern technological facilities for computer-based presentations.

50. **Parking for delegates.** The provision of parking for delegates attending WIPO conferences and meetings must obviously also be in close proximity to WIPO's conference and meeting rooms.

51. While a building that could be constructed for WIPO on the Steiner lot could include a larger main conference room and parking for delegates, as noted in paragraph 66, below, other solutions can be considered, including the extension of the WIPO Building to provide a larger main conference room and extensive additional parking. Such solutions should be considered only once a decision has been taken regarding the choice between the P&G Building and the Steiner lot Building (see paragraphs 55 to 63, and 64 to 73, below).

EXTENSION OF THE WMO BUILDING

52. **Extension possibilities.** At the same time as undertaking the renovation, modernization and connection of the WMO Building (as described in paragraphs 32 and 33, above), the building could be extended. WIPO's consulting architect has identified three possibilities for extending the WMO Building: (i) adding one floor to the long part of the building; (ii) extending the underground parking, and (iii) constructing a second tower on the side of the building where the present tower is located, with further underground parking, as shown in Plan 4. The additional floor would provide about 50 working places at a cost estimated at about 4.2 million francs. The extended underground parking would provide 80 parking places at a cost estimated at about 2.8 million francs. The additional tower would provide about 80 working places, and an additional 20 underground parking spaces, at a cost estimated at about 7 million francs. Those extensions would increase the capacity of the extended WMO Building to 430 working places and 180 parking spaces, and would increase the duration of the period of construction work on the WMO Building from 24 months (see paragraph 35, above) to about 30 months. The cost of the full WMO Building extension, including an additional floor, a second tower and extended underground parking, would be about 14 million francs, which is a very cost-effective way of providing an additional 130 working places and 100 parking spaces. The competent Geneva authorities have indicated that the extension of the WMO Building could be undertaken under the existing local zoning plan (PLQ) for the WIPO city block, with only a building permit required.

53. **Resulting situation.** Extending the WMO Building by adding a floor, constructing a second tower and extending the underground parking would result, in the year 2001, in the following number of working places, parking spaces and cafeteria seats in the buildings owned by WIPO and located on its city block:

Table 7

Building	Working Places	Parking Spaces	Cafeteria Seats
WIPO	281	215	230
BIRPI I	191	24	-
BIRPI II	107	-	-
Extended WMO	430	180	250
Total	1,009	419	480

54. The resulting situation concerning the needs for working places and the capacity of WIPO's premises is shown in Table 8 (on page 21), which assumes (for simplicity) that the various rentals would end as the renovation and extension of the WMO Building are completed. Even with the extension of the WMO Building, there remains both an immediate and a long term need for further working places. Extension of the WMO Building would thus not on its own provide a long term solution for WIPO's needs for working places, but it should form part of the long term solution (and this is assumed in the following consideration of the alternatives).

Table 8: Needs for Working Places and Capacity of Premises With WMO Building Extension
(Assuming Ending All Rentals Once WMO Building Renovation and Extension Completed)

Date	Working Places Needed (Including Reserve)	Capacity of Premises					Result
		WIPO/BIRPI I/ BIRPI II	CAM/ OIM	UC/UNHCR P&G/IBM	WMO	Total	
Jan 1998	825	559	137	145	-	841	16
Dec 1998	919	559	137	145	-	841	-78
Dec 1999	938	559	137	145	100	941	3
Dec 2000	1,017	569	137	145	100	951	-66
Dec 2001	1,064	579	-	-	430	1,009	-55
Dec 2002	1,110	579	-	-	430	1,009	-101
Dec 2003	1,147	579	-	-	430	1,009	-138
Dec 2004	1,193	579	-	-	430	1,009	-184
Dec 2005	1,238	579	-	-	430	1,009	-229
Dec 2006	1,300	579	-	-	430	1,009	-291
Dec 2007	1,361	579	-	-	430	1,009	-352
Dec 2008	1,429	579	-	-	430	1,009	-420

PURCHASE OF PROCTER & GAMBLE BUILDING

55. **Location.** The Secretariat has recently been informed that the Procter & Gamble (P&G) Building, located across the street from the WMO Building, is for sale, and could be made available later this year. The location of that building, in close proximity to WIPO's city block, is shown in Plan 5.

56. **Facilities offered.** The P&G Building is a well-finished, high quality building with 14 floors comprising two basement floors (providing 294 parking spaces and storage space), two ground floors (lower and upper, including a 200 seat auditorium (divisible into three rooms), a 200 seat cafeteria, a gymnasium, a bank sub-office and in-house travel agency, various technical facilities and some office space) and 10 floors devoted entirely to office space. The P&G Building provides about 500 working places, with extensive security and information technology facilities. It also has an Annex (now rented by WIPO) located by its ground floor delivery quay (which, being separate, avoids the problems encountered at WIPO with cars of the staff and delivery trucks using the same entrance). The P&G Building could thus address well WIPO's needs for additional working places both in the short term and in the long term. While the P&G building is located on the other side of the *chemin du Pré-de-la-Bichette*, since the parking basement of the WMO Building is located partly under that road, an underground connection could probably be made to connect the P&G Building to the WIPO-BIRPI I-BIRPI II-WMO Buildings complex.

57. **Price.** The asking price is 100 million francs, including the land, and the Secretariat has been informed at a first meeting by senior Procter & Gamble officials that they are not willing to consider a lower price.

58. **Professional evaluations.** In order to determine the reasonableness of that asking price, the Secretariat commissioned its two main banks (Crédit Suisse and the Swiss Bank Corporation) to undertake valuations of the P&G Building, and requested STG-Coopers & Lybrand Consulting SA to evaluate and rate the P&G Building in the same way as in its February 1997 study (at which time the P&G Building was not for sale). The results of those professional evaluations are as follows:

(a) Crédit Suisse, with the services of the architect firm it uses for such valuations and a local real estate firm, valued the P&G Building at 62 million francs, that being the weighted average (rounded) of the intrinsic value (land value and cost of construction and related costs) of 76.5 million francs (weighted one-quarter) and the rental return value (based on the investment value if the whole building were to be rented at present market rates) of 57.4 million francs (weighted three-quarters). Crédit Suisse also noted that, even in light of the proximity to WIPO's present premises, the intrinsic value of 76.5 million francs should be considered as the maximum price that could be justified.

(b) The Swiss Bank Corporation, using its own staff architect, valued the P&G Building at 69.4 million francs, that being the weighted average of the intrinsic value (land value and cost of construction and related costs) of 63.5 million francs (weighted one-quarter) and the rental return value (assuming that the whole building would be rented at the level of the existing high rents for the several floors now rented) of 71.4 million francs (weighted three-quarters).

(c) STG-Coopers & Lybrand Consulting SA noted that the asking price of 100 million francs for the P&G Building was considerably higher than the above-mentioned valuations, which (including the land) involved amounts from 57.4 to 76.5 million francs; it estimated a construction cost of 61.7 million francs. It used a figure of 540 working places in its analysis. In its ratings of the P&G Building, in comparison with the 20 projects rated in the February 1997 report, STG-Coopers & Lybrand Consulting SA gave the P&G Building the highest rating in its method used for evaluating building sites and buildings in terms of providing sufficient working places, geographical proximity, long term validity of the solution, efficiency, optimization of costs, quality of plans and quality of construction. However, because of the high asking price, the ratings were very low in terms of total investment per working place, annual financial charge per square meter and price per cubic meter, and the ratings were relatively low in terms of total annual costs per working place or per square meter, and in the number of working places offered.

59. It is clear that the asking price is considerably higher than any of the evaluations. The purchase of the P&G Building would only be attractive if the P&G firm would be willing to negotiate a reasonable lower price in the future.

60. **Resulting situation.** Were it to be possible to acquire the P&G Building, it would result (once the renovation, modernization and extension of the WMO Building is completed) in the following number of working places, parking spaces and cafeteria seats in the buildings owned by WIPO and located on or next to its city block:

Table 9

Building	Working Places	Parking Spaces	Cafeteria Seats
WIPO	281	215	230
BIRPI I	191	24	-
BIRPI II	107	-	-
Extended WMO	430	180	250
P&G	500	294	200
Total	1,509	713	680

61. The situation concerning the needs for working places and the capacity of WIPO's premises under this alternative are shown in Table 10 (on page 24), assuming that the P&G Building could be able to be bought, at a reasonable price, later in 1998 (and that the additional space needed immediately would be rented in that building) and that all rentals of office space in other buildings would end as soon as possible thereafter (June 1999 or December 1999), so that all the staff would be located in the WIPO-BIRPI I-BIRPI II-WMO-P&G Buildings complex. Since there would be an over-supply of working places in WIPO's owned premises, WIPO would rent out a significant part of its premises as from 1999 (and such rental could include keeping some of the present tenants (the Permanent Missions of Canada and of Finland) in the P&G Building), the amount

Table 10: Needs for Working Places and Capacity of Premises With P&G Building Purchase
(Assuming Ending All Rentals as Soon as Possible)

Date	Working Places Needed (Including Reserve)	WIPO/BIRPI I/ BIRPI II	CAM/ OIM	UC/UNHCR P&G/IBM	WMO	P&G	Total	Result
Jan 1998	825	559	137	137	-	58	891	66
Dec 1998	919	559	137	137	-	500	1,333	414
Dec 1999	938	559	122	-	100	500	1,281	343
Dec 2000	1,017	569	-	-	100	500	1,169	152
Dec 2001	1,064	579	-	-	430	500	1,509	445
Dec 2002	1,110	579	-	-	430	500	1,509	399
Dec 2003	1,147	579	-	-	430	500	1,509	362
Dec 2004	1,193	579	-	-	430	500	1,509	316
Dec 2005	1,238	579	-	-	430	500	1,509	271
Dec 2006	1,300	579	-	-	430	500	1,509	209
Dec 2007	1,361	579	-	-	430	500	1,509	148
Dec 2008	1,429	579	-	-	430	500	1,509	80

of office space to be rented out providing flexibility to cope with the uncertainty as to what would be the future needs for working places.

62. This alternative would also result in the following conference and meeting facilities in the WIPO and P&G Buildings:

Table 11

	Number of languages of interpretation	Number of seats	Number of seats with desks for delegates
Conference Room A	six	270	220
P&G Auditorium	-	200	-
Conference Room B	three	83	56
Conference Room C (ex-Room 1.27)	three	56	36
Conference Room D (ex-Room 1.25)	two	44	24
Conference Room E (ex-Room 1.1)	two	42	22
Room 1.2	-	12	12

63. **Advantages and disadvantages.** The great advantage of this alternative is that the P&G Building, located in immediate proximity to WIPO's other owned buildings, is already available, so it would provide additional working places as soon as required; it would fully satisfy WIPO's needs for working places as foreseen until 2008, in land adjoining WIPO's present city block. Since WIPO's present rentals would be ended as soon as possible, with the staff in such premises able to move into the P&G or WMO Buildings, staff would be located more rationally, with units grouped as appropriate. Eliminating those rentals would save some 2.8 million francs per year (which amount would otherwise undoubtedly increase in the future). Furthermore, the excess working places would be rented out for a number of years, thereby providing considerable rental income. However, the very significant disadvantage of this alternative is the present asking price of 100 million francs, which is considerably higher than the professional evaluations undertaken.

CONSTRUCTION OF A BUILDING FOR WIPO ON THE STEINER LOT

64. **Location.** The proximity of the Steiner lot has meant that it has been considered since 1989 for satisfying WIPO's needs for additional premises. As the local zoning plan (PLQ) approved by the Geneva authorities allowed the *chemin des Colombettes* to be closed off to vehicular traffic, WIPO's city block would effectively be extended into an "L" shape, as shown in Plan 6.

65. **Planning now "on hold."** The present situation is that planning for construction of a building on the Steiner lot is essentially "on hold." This results largely from the concerns of a number of Member States over the condition insisted upon by the Steiner firm, namely, that it would sell the lot only if it would act as the general contractor (*entreprise générale*) for the actual construction. While a number of control mechanisms were proposed, in order to provide complete transparency and close supervision by the Swiss authorities of the international tendering for all the sub-contractors and of the actual construction, so that the final cost of the construction would be as low as possible, the situation of "sole sourcing" for the general contractor role remained a matter of concern.

66. **Architectural competition.** The first phase of an international architectural competition to determine the best architectural, functional and economic solution was undertaken, following the recommendation of the Budget and Premises Committees at their joint May 1996 session and the approval of the General Assembly at its September-October 1996 session, and selected 30 architects/offices from 11 countries out of the 684 architects/offices from 25 countries that had indicated their interest in participation. For that international architectural competition, the following features were identified as the requirements for the building: it would be connected to the WIPO Building and have modular administrative working areas with a capacity of at least 450 working places; a divisible 400-seat conference room with interpretation booths for seven languages for each room; various meeting rooms, a 300-seat restaurant, reception areas, a lobby and an area connecting it with the WIPO lobby; an underground car park for 300 vehicles, technical and service areas, and storage areas.

67. **Evaluation of Steiner proposal.** The recommendation of the joint May 1996 session of the Budget and Premises Committees, as approved by the General Assembly, also stated that an independent consultant be appointed to identify, evaluate and report on rental, purchase and construction options available in Geneva to WIPO for meeting its premises and conference facility needs. The report of the independent consultant (STG Coopers & Lybrand Consulting SA; see paragraph 39, above) concluded that the costs associated with having staff located a distance from the WIPO Building meant that a building on the Steiner lot would have a considerable cost advantage as compared to all the other building solutions considered. Although the independent consultant considered that, in comparison with the other projects it analyzed and rated, the project proposed by the Steiner firm had a relatively high construction cost (77.0 million francs, while the independent consultant estimated that the building on the Steiner lot would have a construction cost of only about 55.4 million francs) and a relatively high ratio of gross to net floor space, its final conclusion was that the advantages associated with building on the Steiner lot were incontestable, as much from the organizational and functional point of view as from the financial point of view, even if, for the time being, the project envisaged had not been proposed at a sufficiently competitive price.

68. **Office building.** Although it has been considered for some years that it would be appropriate to provide the larger main conference room in a building for WIPO on the Steiner lot, other solutions have now been identified, including the extension of the WIPO Building to provide a larger main conference room in the immediate proximity of the present Conference Rooms A and B; such solutions would best be considered at a later stage. It is therefore now considered, for planning purposes, that any building for WIPO on the Steiner lot should be an office building, providing working places and associated facilities (parking, cafeteria, etc.) but not providing a large conference room, nor a large lobby or reception area or other facilities associated with large conferences. Such an office building could provide about 500 working places.

69. **Plans for office building and estimated construction cost.** An architectural competition, which could be the continuation of the international architectural competition already begun (see paragraph 66, above), would be needed to determine the most suitable, functional and economic building that could be constructed for WIPO on the Steiner lot. Pending that, a preliminary estimate is now made that the overall cost of the construction would be of the order of 45 to 50 million francs for a building to provide about 500 working places, an underground car park for about 300 vehicles, a 300-seat cafeteria, storage areas and technical and service areas (but without a large conference room).

70. **Resulting situation.** This alternative would result in the following number of working places, parking spaces and cafeteria seats in the buildings owned by WIPO and located on its city block:

Table 12

Building	Working Places	Parking Spaces	Cafeteria Seats
WIPO	281	215	230
BIRPI I	191	24	-
BIRPI II	107	-	-
Extended WMO	430	180	250
Steiner lot	about 500	about 300	about 300
Total	about 1,509	about 719	about 780

71. The resulting situation concerning the needs for working places and the capacity of WIPO's premises is shown in Table 13 (on page 28), which assumes that, apart from the P&G Annex, the various premises now rented by WIPO would be rented until the WMO Building renovation, modernization and extension was completed, with part of the rented premises continued until the Steiner lot Building was completed (in 2002): all the rentals would then be ended, and the staff would all be located in the WIPO-BIRPI I-BIRPI II-WMO-Steiner lot Buildings complex. Since there would be an over-supply of working places in WIPO's owned premises, WIPO would rent out a significant part of its premises as from 2002, the amount of office space to be rented out providing flexibility to cope with the considerable uncertainty as to what would be the future needs for working places.

Table 13: Needs for Working Places and Capacity of Premises
 With Construction of a Building for WIPO on the Steiner Lot
 (Assuming Ending All Rentals Once WMO Building Renovation and Extension Completed)

Date	Working Places Needed (Including Reserve)	Capacity of Premises						Result
		WIPO/BIRPI I/ BIRPI II	CAM/ OIM	UC/UNHCR P&G/IBM	WMO	Steiner	Total	
Jan 1998	825	559	137	145	-	-	841	16
Dec 1998	919	559	137	145	-	-	841	-78
Dec 1999	938	559	137	145	100	-	941	3
Dec 2000	1,017	569	137	145	100	-	951	-66
Dec 2001	1,064	579	137	-	430	-	1,146	82
Dec 2002	1,110	579	-	-	430	500	1,509	399
Dec 2003	1,147	579	-	-	430	500	1,509	362
Dec 2004	1,193	579	-	-	430	500	1,509	316
Dec 2005	1,238	579	-	-	430	500	1,509	271
Dec 2006	1,300	579	-	-	430	500	1,509	209
Dec 2007	1,361	579	-	-	430	500	1,509	148
Dec 2008	1,429	579	-	-	430	500	1,509	80

72. **Purchase of Steiner lot.** For this alternative to be able to be implemented, it is recognized that the concern of a number of Member States regarding sole sourcing of the general contractor function to the Steiner firm, without a competitive process, must be resolved. The Secretariat has therefore taken a new approach and asked the Steiner firm whether it would be willing to sell the Steiner lot unconditionally, i.e., without keeping the condition of requiring that it must be the general contractor. The Steiner firm, in a letter dated February 18, 1998 (copy attached), has indicated its willingness to do so, and has proposed a price of 14.9 million francs, and stated “The details of this price are as follows: land CHF 8,500,000; fees in connection with the studies carried out to date, including the latest project for the request for a building permit CHF 2,250,000; indemnities for cancelling easements CHF 1,450,000; interest on the value of the land and costs incurred CHF 2,000,000; and fees for piloting the project CHF 700,000”. If the Steiner lot would be acquired, at a price to be negotiated, it would be intended to have the building, with plans developed by an architect (chosen through the architectural competition referred to in paragraph 69, above), constructed using a general contractor to be chosen through an international tender. The Steiner firm stated in the above-mentioned letter “It is understood that, should this sale go ahead, the Steiner Group would be assured of participation in the competition for a general contractor or in any other competition permitting the construction a building on this land.”

73. **Advantages and disadvantages.** The great advantage of this alternative is that, at a relatively low cost and with full competitive tendering, it would fully satisfy WIPO’s needs for working places as foreseen until 2008, in an extension of WIPO’s present city block, so that the Steiner lot would not be lost but would be available to WIPO for as long as desired. Since WIPO’s present rentals would be ended as soon as the extension of the WMO Building was completed, with the staff in rented premises able to move into the WMO or Steiner lot Buildings, staff would be located more rationally, with units grouped as appropriate. Eliminating the rentals would save some 2.8 million francs per year as from 2002 (which amount would otherwise undoubtedly increase in the future). Furthermore, the excess working places would be rented out for a number of years, thereby providing a significant rental income. In addition, a larger main conference room could be incorporated in the building, if that were to be determined to be the best solution. The disadvantages of this alternative are that the exact cost for the purchase of the Steiner lot and for the construction of the Steiner lot Building are not yet known, and the Steiner lot Building would not be able to be completed until about 2002.

PURCHASE OF SATELLITE BUILDING
IN GENEVA

74. The Secretariat requested the independent consultant STG-Coopers & Lybrand Consulting SA, which in February 1997 completed a report on rental, purchase and construction options available in Geneva to WIPO for meeting its premises needs (see paragraph 39, above), to undertake a study of the possibility of purchasing a building at a “satellite” site located near the Geneva airport to provide some 400 working places, which might grow in 10 years to some 600 working places.

75. STG-Coopers & Lybrand Consulting SA considered six projects in the region of the Geneva airport, known as BIBC (Blandonnet Building A+B), Eurotech (chemin Riantbosson), ICC (route de Pré Bois), La Renfile (route Vernier-route de Pré Bois), La Susette business center and Vernier les Crêts (route de Montfleury). Details concerning each of those projects are contained in document WO/BC/XVI/2-WO/PC/VII/2, including their land area, size of building (gross square meters, net office floor space), number of working places, number of parking spaces, distance from WIPO and purchase cost price, with various comparisons such as the investment cost per working place, total annual costs per working place and per gross square meter, annual financial charge per gross square meter, price per cubic meter, evaluation indices and working places offered.

76. **Direct cost.** The overall investment cost of each of those projects and the numbers of working places offered are summarized in the following table.

Table 14

Project	Overall investment (million francs)	Number of Working Places
BIBC	123.2	603
Eurotech	63.6	543
ICC	107.1	647
La Renfile	51.3	615
La Susette	87.8	574
Vernier les Crêts	62.0	569

77. **Indirect costs.** As noted in paragraph 39, above, STG-Coopers & Lybrand Consulting SA determined that there were significant indirect costs in having staff in two locations more than two minutes apart. The first element considered was the cost of the extra staff (messengers, shuttle-bus driver, receptionist, maintenance staff, building technician, security personnel), whose annual salary costs plus other additional costs were estimated at 883,000 francs per year. The second element considered was the loss of time for staff going back and forth between buildings, plus the cost of the shuttle bus, for which STG-Coopers & Lybrand Consulting SA estimated each minute of distance as costing about 29,000 francs per year for 400 staff, and about 41,000 francs per year for 600 staff. Since the seven locations considered ranged from eight to 15 minutes away from the WIPO Headquarters, the distance cost was estimated at an average of 325,000 francs per year for 400 staff, and an average of 454,000 francs per year for 600 staff. The extra cost of being located in a “satellite” site was thus estimated at 1,208,000 francs per year for 400 staff, and at 1,337,000 francs per year for 600 staff. Using a discount rate of 4% per annum (as the assumed rate of return on WIPO’s

funds), the extra cost of having staff located in a “satellite” site was thus determined to have a capitalized “opportunity cost” of 30.2 million francs for 400 staff, and 33.4 million francs for 600 staff, i.e., a building located in a “satellite” site would have to cost 30.2 to 33.4 million francs *less* than a building located in close proximity to the WIPO Headquarters for there to be an equivalent financial situation.

78. **Advantages and disadvantages.** The advantage for a “satellite” site is that various premises are now or will be available in the future. However, the indirect costs, as determined by STG-Coopers & Lybrand Consulting SA, involving a capitalized “opportunity cost” of over 30 million francs, clearly indicate that a “satellite” site building would have to be significantly lower in cost than a building located close to the WIPO Headquarters (such as the one which could be constructed on the Steiner lot). Other disadvantages would be the on-going operational and managerial problems associated with having staff located a considerable distance apart.

CONCLUSIONS AND RECOMMENDATIONS

79. **Conclusions.** The considerations given in this document lead to the following conclusions:

(a) WIPO has an **urgent need** for additional premises to provide additional working places, both for the short term and for the longer term (as shown in Table 3 on page 6), and to bring together and re-group units of the Secretariat, as well as urgent needs for conference and meeting facilities.

(b) The long term solutions should be provided on **WIPO's present city block** to the extent possible, and on **land adjoining** that city block.

(c) To provide for **additional working places and parking spaces**, additional premises must immediately be rented, and the **renovation, modernization, connection and extension of the WMO Building** should be undertaken expeditiously, as part of the long term solution for WIPO's needs for working places.

(d) To complete that long term solution, it is highly desirable to obtain premises on one of the two lots adjoining the present WIPO city block, through **purchasing the P&G Building** (if it is offered at a reasonable price) *or* through **constructing an office building on the Steiner lot** (if that lot is purchased at a reasonable price without the condition that the Steiner firm must be the general contractor); the Organization should ensure that one of these two possibilities can be achieved.

(e) The possibility of purchasing a "**satellite**" building in Geneva is not cost-effective, because of the additional "indirect costs" of having staff in two locations a distance apart. Those "indirect costs" would amount to over 1.2 million francs per year, which gives a capitalized "opportunity cost" of over 30 million francs.

(f) To provide for **additional conference and meeting facilities**, the **Mezzanine floor** should immediately be converted to be essentially for meetings and use by delegates.

At a later stage, once the decision has been taken for the P&G Building *or* the Steiner lot Building, the question of a **larger main conference room** should be addressed.

80. **Comparison of P&G and Steiner alternatives.** The following table provides a basic comparison of these alternatives.

Table 15

	P&G Building	Steiner lot Building
Working places	500	about 500
Parking spaces	294	about 300
Cafeteria seats	200	about 300
Cost	asking price 100 million francs including land	asking price of 14.9 million francs for land, plus 45 to 50 million francs estimated for construction
Availability	in 1998	in 2002

The similar capacity of the two buildings is noteworthy. There are two basic uncertainties: (i) whether the P&G firm would be willing to negotiate a reasonable price (in which case that alternative could become very attractive, especially as it would be available very quickly), and (ii) whether the Steiner firm would be willing to negotiate a reasonable price for selling the Steiner lot unconditionally and the cost of constructing an office building thereon (as that alternative would probably have a clear cost advantage over the P&G Building, even though the Steiner lot building could not be completed for several years).

81. **Negotiations.** As regards the negotiations with the P&G firm and the Steiner firm in respect of *either* the purchase of the P&G Building *or* the purchase of the Steiner lot, it is proposed that the General Assembly authorize the Director General to contract for the purchase, on the understanding that he would agree at the lowest reasonable price possible, and that, in any case, the price would not exceed the maximum price established by a committee comprising the Chairperson and the two Vice-Chairpersons of the General Assembly, the Chairperson of the Budget Committee, the Chairperson of the Premises Committee and the Regional Group Coordinators.

82. **Resulting situation.** With the above-mentioned elements of the long term solution, including *either* the purchase of the P&G Building *or* the construction of an office building on the Steiner lot, the resulting situation as concerns the number of working places, parking spaces and cafeteria seats in buildings owned by WIPO and located on or by its city block would be the following:

Table 16

Building	Working Places	Parking Spaces	Cafeteria Seats
WIPO	281	215	230
BIRPI I	191	24	-
BIRPI II	107	-	-
Extended WMO	430	180	250
P&G <i>or</i> Steiner lot	500 <i>or</i> about 500	294 <i>or</i> about 300	200 <i>or</i> about 300
Total	1,509 <i>or</i> about 1,509	713 <i>or</i> about 719	680 <i>or</i> about 780

83. **Timing.** If the Budget and Premises Committees recommend, and the General Assembly decides, at their March 1998 sessions, to go ahead with the various elements of the long term solution to WIPO's premises needs, the timing would be about as follows. Work would immediately begin on the WIPO Mezzanine conversion (which would be completed in about six months). Planning would begin immediately for the renovation, modernization, connection and extension of the WMO Building, which would be undertaken once WIPO becomes the owner of the building (expected to be in early 1999), to be completed in about mid-2001. In parallel with this planning activity would be the negotiations with the P&G firm and the Steiner firm for *either* the purchase of the P&G Building, if that firm shows a willingness to accept a reasonable price *or* the unconditional purchase of the Steiner lot, to be followed by the architectural competition and the international tendering for the general contractor to construct an office building on that lot. In the longer term, once a decision has been taken for the P&G Building *or* the Steiner lot Building, a solution should be found to provide a larger main conference room.

84. **Financial considerations.** It is recalled that WIPO has already contracted to purchase the WMO Building at a cost of 34,272,000 francs, to be financed from the Special Reserve Fund (see paragraphs 5 and 9, above). After that purchase, the balance of the Special Reserve Fund would be about 203 million francs. The cost of the above-mentioned premises requirements (apart from the immediate rental of additional premises, for which there is a budgetary provision in the Draft Program and Budget for the 1998-99 Biennium), to be financed from the Special Reserve Fund, would be as follows:

Table 17

	Cost (000 francs)	
	With P&G Building	With Steiner lot Building
WIPO Mezzanine Conversion	950	950
Renovation, modernization, connection and extension of WMO Building	30,400	30,400
Purchase of the P&G Building	asking price 100,000	-
<i>or</i>		
Purchase of the Steiner lot	-	asking price 14,900
Construction of an office building for WIPO on the Steiner lot	-	about <u>45-50,000</u>
Sub-total	-	about 59,900-64,900
Total	131,350	about 91,250 to 96,250

85. In the situation where the P&G Building would be purchased, the proposed expenditures would use approximately 65% of the balance (about 203 million francs) of the Special Reserve Fund; in the situation where the Steiner lot would be purchased and an office building constructed thereon, the proposed expenditures would be approximately 45% to 47% of the balance of the Special Reserve Fund. However, since those expenditures would take place over several years, during which time the Special Reserve Fund's assets would be growing (both from investment income and budgetary surpluses), it is expected that the various premises proposals would actually only use up a lesser fraction of the Special Reserve Fund.

86. It is to be noted that the solution of WIPO's needs for working places will result in a saving of rental costs of about 2.8 million francs per year (which amount would otherwise undoubtedly increase in the future, as indicated in paragraph 46, above) and would provide an income for a number of years from rental of excess working places. That rental cost saving and rental income would provide a good investment return on the corresponding amounts from the Special Reserve Fund.

DECISIONS INVITED

87. *The General Assembly is invited:*

(a) *to note WIPO's long term needs for working places (as indicated in Table 3 on page 6) and for conference and meeting room facilities (reference paragraphs 23 to 29);*

(b) *to approve the conversion of the WIPO Mezzanine floor to be essentially for meetings and use by delegates (reference paragraph 30);*

(c) *to approve the renovation, modernization, connection and extension of the WMO Building (reference paragraphs 32 to 35 and 52);*

(d) *to authorize the negotiation (following the approach referred to in paragraph 81) with the P&G firm and with the Steiner firm for either the purchase of the P&G Building (reference paragraphs 55 to 59) or the unconditional purchase of the Steiner lot (reference paragraphs 64 to 69 and 72), and to authorize the Director General to contract for the purchase of either the P&G Building or the Steiner lot to be followed by the architectural competition and the international tendering for the general contractor to construct an office building on the Steiner lot;*

(e) *to approve the financing of the measures listed above from the Special Reserve Fund for Additional Premises and Computerization;*

it being understood that periodic progress reports will be made by the Director General to the Budget and Premises Committees, and to the General Assembly.

[Attachment follows]

STEINER
TOTAL SERVICES CONTRACTOR

[Translated by
the Secretariat]

World Intellectual Property Organization
34, chemin des Colombettes
1211 Geneva 20

For the attention of Mr. Curchod

Geneva, February 18, 1998

Sale to WIPO of the lots for the implementation of the WIPO project

Dear Mr. Curchod,

Further to our meeting on February 10, 1998, and in response to your request, we are pleased to inform you of the basic conditions on which the Board of Directors of Karl Steiner SA intends to sell the above-mentioned lots, of which it is the owner.

1. Overall price CHF 14,900,000

The details of this price are as follows:

- | | |
|---|---------------|
| – land | CHF 8,500,000 |
| – fees in connection with the studies carried out to date,
including the latest project for the request for
a building permit | CHF 2,250,000 |
| – indemnities for cancelling easements | CHF 1,450,000 |
| – interest on the value of the land
and costs incurred | CHF 2,000,000 |
| – fees for piloting the project | CHF 700,000 |

2. It is understood that, should this sale go ahead, the Steiner Group would be assured of participation in the competition for a general contractor or in any other competition permitting the construction of a building on this land.

We remain at your entire disposal for any additional information or any explanation of the offer submitted to you.

Sincerely yours,

Karl Steiner SA

(signed)
P. Fichot

Director

(signed)
p.p. Y. Perrin

[End of document; plans contained
in document WO/GA/22/1 Annex]