

Program and Budget Committee

Thirtieth Session
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CAPITAL MASTER PLAN FOR 2020-29

prepared by the Secretariat

BACKGROUND

1. The Assemblies of the Member States of WIPO in 2013 approved WIPO's Capital Master Plan (CMP) (document A/51/14). The CMP 2014-19 represented a plan of seven key capital investment projects to be financed from the Reserves, meeting the requirements of the Policy on Reserves and Principles Applied in Respect of Use of Reserves¹. The plan covered a six-year period encompassing three biennia (2014-15, 2016-17 and 2018-19) with a total budget of 11.2 million Swiss francs.

2. The Assemblies of the Member States of WIPO, in 2017², approved the funding from the Reserves for projects presented in the Capital Master Plan (CMP) 2018-2027 for the biennium 2018/19 amounting to a total of 25.5 million Swiss francs. The CMP 2018-27 is a living document and, therefore, will need to recognize new opportunities that emerge for the Organization as it undertakes its program of work in any given biennium. In this context, the Secretariat identified, in the course of 2018, opportunities, which had arisen from the rapidly evolving Information Technology (IT) landscape and, in particular, cloud technology, enabling the Organization to remain agile and to adapt to a changing external environment.

¹ See document WO/PBC/15/7 Rev.

² Document WO/PBC/27/9

3. The Assemblies of the Member States of WIPO, in 2018³, subsequently approved two supplementary high-priority cloud technology capital master plan projects with a total budget of 3 million Swiss francs.

4. The present document includes:

(i) an update to the long-term, rolling Capital Master Plan for Premises, Safety and Security for 2018-27⁴; and

(ii) proposals for:

- i. the second phase of one ICT project – the WIPO IP Platform⁵;
- ii. four ICT projects for which the need has emerged since 2017;
- iii. the second phases of three premises, safety and security-related projects (electricity power outage, elevators and fire safety)⁶;
- iv. two safety and security-related projects for which the need has emerged since 2017;
- v. additional budget requirements for the completion of the Multimedia Studio project approved in 2017.

REVISED POLICY RELATED TO RESERVES

5. At its twenty-third Session, the PBC reviewed and recommended to the Assemblies a Proposal on a Revised WIPO Policy related to Reserves⁷. The purpose of the new policy is to further strengthen financial and risk management, provide enhanced guidance to the Secretariat on the on-going management of the Reserves, including target levels and liquidity, and clarify the requirements for reporting on Reserves. The revised policy includes a set of revised principles on the use of the Reserves and Working Capital Funds (RWCF).

STATUS OF CAPITAL MASTER PLAN PROJECTS FINANCED FROM THE RESERVES

6. Regular reporting on the status of implementation of individual Capital Master Plan projects are included in the annual and biennial WIPO Performance Reports (WPRs) submitted to the PBC. The progress of each project as at end 2018 is included in the WPR for 2018⁸, Annex X.

7. Table 1 provides, for each project, an update on the status of budget utilization as at June 17, 2019, and projected expenditure for the remainder of 2019.

³ Document WO/PBC/28/13

⁴ The updated rolling 10-year Capital Master Plan for Premises, Safety and Security for the period 2020-29 is included in Annex II.

⁵ As foreseen in document A/57/11 ADD. 3.

⁶ As foreseen in document A/57/11 ADD. 3.

⁷ Please see document WO/PBC/23/8

⁸ Document WO/PBC/30/7

Note: Figures in tables may not add up due to rounding.

Table 1: Status of CMP Projects

(in thousands of Swiss francs)

	Total Project Budget	Cumulative Expenditure to Dec 31, 2018	Remaining Balance in Special Projects Reserve Dec 31, 2018	To be Returned to Accumulated Surpluses	2019 Estimated Expenditure		Projected Special Projects Reserve Dec 31, 2019
					Actual Expenditure to June 17*	Estimated Expenditure June 18 - Dec 31	
The Madrid System Goods and Services Database (MM/A/42)	1,200	1,134	66	66	-	-	-
Enterprise Resource Planning (ERP) (A/48)	25,341	22,678	2,663	2,300	279	-	85
Sub-total	26,541	23,812	2,730	2,366	279	-	85
<u>Capital Master Plan Projects (A/51)</u>							
Security Enhancement: Data Encryption and User Management	700	221	479	-	-	400	79
Enterprise Content Management (ECM)	2,068	1,821	247	-	215	32	-
Renovation of the Facades and Cooling/Heating Installation of the PCT Building	6,000	3,328	2,672	-	2,512	160	-
AB Building – Phase I of Basement Renovation	960	956	4	4	-	-	-
Sub-total CMP (A/51)	9,728	6,326	3,402	4	2,726	592	79
<u>Capital Master Plan Projects (A/57)</u>							
WIPO IP Portal ** - Phase I	4,547	945	3,602	-	1,639	1,345	619
PCT Resilient and Secure Platform - Phase I	8,000	1,337	6,663	-	673	572	5,418
Madrid IT Platform	6,000	-	6,000	-	-	100	5,900
Integrated Conference Services Platform	930	-	930	-	-	200	730
Multi-Media Studio	1,700	-	1,700	-	219	1,481	-
PCT Building Additional Works	1,950	826	1,124	-	963	161	-
Electrical Systems and Mechanical Installations							
Power Outage Mitigation in AB Building - Phase I	700	-	700	-	25	263	412
Functional Lighting System in AB Building	600	4	596	-	515	81	-
Elevators in AB Building - Phase I	430	-	430	100	25	133	172
Installation of Fire Doors and Walls in GB Building	220	4	216	-	50	165	-
Dynamic Incident Management (DIM)	400	4	396	-	30	275	91
Sub-total CMP (A/57)	25,477	3,120	22,357	100	4,140	4,776	13,341
<u>Supplementary Capital Master Plan Projects (A/58)</u>							
Establishment of a Long-term Capability for WIPO to Utilize Cloud Service Providers and Migration of Legacy Applications	2,095	-	2,095	-	334	167	1,594
Migration of Email to the Cloud	912	-	912	-	-	400	512
Sub-total CMP (A/58)	3,007	-	3,007	-	334	567	2,106
Total Reserve Funded Projects	64,753	33,258	31,496	2,470	7,479	5,936	15,611

*2019 Actual expenditure includes pre-encumbrances and encumbrances as at June 17, 2019.

** The Global IP Platform has been renamed WIPO IP Portal.

8. At the end of 2018, the remaining balance in the Special Projects Reserves amounted to 31.5 million Swiss francs. It has been estimated that a total of 2.5 million Swiss francs in the Special Project Reserves will no longer be required and will therefore be returned to the Reserves in 2019. This is on account of: (i) the completion of the Madrid System Goods and Services Database project (66,365 Swiss francs); (ii) the completion of the AB Building – Phase I of Basement Renovation project (3,750 Swiss francs); (iii) the completion of the ERP Project (2.3 million Swiss francs); and (iv) rescoping of the Elevators in the AB Building project (100,000 Swiss francs).

9. Regarding the PCT Resilient and Secure Platform project, approved by the WIPO Assemblies in 2017, during the implementation of Phase I, the Secretariat has been constantly monitoring ICT developments in the external environment to ensure that the technology choices foreseen for the project remain the best-of-breed and, at the same time, financially sustainable in the long term. From the analysis and design conducted to date, it has become apparent that a solution based on emerging industry trends would be able to offer the same high security features as the physical data centers, which were originally envisaged by the project. In addition, the emerging implementation scenario would represent a more cost effective solution for annual recurring costs after the completion of the project. Phase I of the project to date has delivered an architectural design and organizational transformation model, which are expected to underpin the emerging solution. As a

consequence of the above, Phase II of the project therefore has been deferred by one year to allow for a thorough redesign and recosting. An updated proposal for Phase II will be presented to the PBC in 2020.

CAPITAL MASTER PLAN (CMP) 2020-29

10. The Organization requires continued capital investments in the areas of premises, safety and security, and ICT initiatives in order to remain fit-for-purpose. The Capital Master Plan for the period 2018-27, outlining the major premises as well as safety and security related capital investments required over 10 years, has been updated for the period 2020-29 (see Annex II). In addition, a number of high-priority ICT projects have been identified to strengthen and guarantee the business operations of the international registrations systems, on the one hand, and to ensure efficient and effective content as well as treasury management, on the other hand.

11. As mentioned in the CMP proposal presented to Member States in 2018, regarding the possible provision of day-care services to staff, the Secretariat has examined various potential options including the possible acquisition of real estate in the vicinity of WIPO, the possibility of transforming part of existing WIPO premises into a day care facility, and acquisition of day-care places in existing facilities. The Secretariat also undertook a survey among staff to ascertain the potential interest for day-care services and consulted with sister agencies in Geneva having experience in providing such services.

12. After having examined the various options, the Secretariat concluded that it would be appropriate and prudent to proceed with a two-track approach: (i) to implement a two-year pilot for the immediate term covering the scholastic years 2019-2020 and 2020-2021; and (ii) to continue to explore options for a long-term solution, including acquiring dedicated real estate for a day-care facility.

13. The pilot would consist of reserving up to 20 places for WIPO staff in an existing day-care facility in the vicinity of WIPO. WIPO would provide a financial contribution to the day-care facility for the places occupied by WIPO staff⁹. The amount of such financial contribution for each occupied place would be based on the concerned staff members' total household income in line with a model already in place and tested at the ILO for almost two decades with the same day-care facility. The cost of the pilot, assuming full occupancy of 20 places, is estimated at approximately 0.6 million Swiss francs (0.1 million Swiss francs in 2019, 0.3 million Swiss francs in 2020 and 0.2 million Swiss francs in 2021). The costs would be covered by personnel savings from the regular budget in the biennium 2018/19 and 2020/21. The pilot will provide an opportunity to test the real demand for day-care services, gain experience in the provision of such services, and provide a robust basis for the consideration of option (ii) above.

14. Regarding the need for additional office space to meet the longer-term needs of the Organization, the Secretariat commissioned a Market Study and Opportunity Analysis to identify new sites for lease or acquisition close to the WIPO Campus. The objective of the study was to analyze the market for office space corresponding to predefined specifications and to identify relevant relocation opportunities, both for freehold and leasehold. The study, which was completed in April 2019, identified several alternatives, which the Secretariat is currently exploring. At the time of writing this document, no suitable solution had been found. The lease for the premise currently rented by WIPO has consequently been extended with options for renewal until such time that a suitable long-term solution is identified and presented to Member States.

⁹ WIPO will not pay for unoccupied places.

15. Reserve Policy Principle 3 requires that projects financed from the reserves be for extraordinary, one-time capital projects. Principle 3 further provides that projects included in the long-term CMP may be defined as projects related to construction/refurbishment and ICT that are needed to keep the Organization's facilities and systems fit-for-purpose through significant expansion or additions. In line with Principle 3 of the Revised Reserve Policy, all projects concerning on-going maintenance of facilities, minor enhancements to structures or systems (including IT) that would be required to continue the provision of current services, were excluded from the CMP as not meeting the criteria for extraordinary and one-time capital projects.

CAPITAL MASTER PLAN 2020-29 DRIVERS

16. The CMP 2020-29 continues to be based on the main drivers for capital investment projects, as detailed below, in order to ensure WIPO remains fit-for-purpose. The drivers also facilitate the assessment of whether projects meet the principles mandated by the Revised Reserve Policy.



- **Business need** - building or acquiring new assets, which will enable the Organization to improve or expand services delivered to Member States and WIPO's customers.
- **Cost efficiency** - taking advantage of new technology, equipment and systems improvements to reduce recurring operating expenses.
- **Accessibility** - investing in initiatives to make WIPO's premises and services accessible to all stakeholders, including persons with disabilities.
- **Lifecycle** - effective lifecycle management of equipment and facilities assets, including essential refurbishment and renovation works or renewal of worn assets, to prevent risks related to safety and non-operability of such assets.
- **Environment** - investing in renewable energy initiatives, which will reduce WIPO's carbon emissions footprint.
- **Regulations** - implementing projects to ensure organizational compliance with Swiss federal and local regulatory frameworks, as well as UN adopted guidelines.
- **Security, safety and information assurance** - implementing preventive and protective measures to reduce WIPO's vulnerability in case of threats and to safeguard WIPO staff, delegates and visitors as well as WIPO's physical and information assets.

CAPITAL MASTER PLAN 2020-29 SUMMARY

17. Table 2 summarizes the Capital Master Plan projects, their implementation timelines and estimated one-time costs during the period 2020-29.

Table 2: Capital Master Plan 2020-2029

(in thousands of Swiss francs)

Projects	2020-21	2022-23	2024-25	2026-27	2028-29	Total 10 Years
<u>ICT Related Projects</u>						
WIPO IP Portal - Phase II	6,960	-	-	-	-	6,960
Resilient Secure Platform for PCT - Phase II	x	x	-	-	-	x
Hague Externalization Project	3,001	-	-	-	-	3,001
ECM Implementation - Phases II and III	2,718	1,214	-	-	-	3,932
Web CMS Technology Replacement	911	-	-	-	-	911
Audio-Visual Equipment (Televic)	-	1,890	-	-	-	1,890
Enterprise Performance Management (EPM)	-	1,800	-	-	-	1,800
Treasury Management System (TMS)	250	-	-	-	-	250
Sub-total ICT Related Projects	13,839	4,904	-	-	-	18,743
<u>Building Related Projects</u>						
Constructions and Acquisitions						
Multi-Media Studio (Finalization)	660	-	-	-	-	660
Additional Office Space	-	x	-	-	-	x
Crèche	-	-	x	-	-	x
Renovations of the WIPO Campus						
AB Building	-	5,000	10,000	10,000	-	25,000
GB Building	-	-	-	10,000	10,000	20,000
Reception Area in AB Building (13th floor)	-	x	-	-	-	x
Systems/Mechanical Installations						
Water Supply	-	1,950	-	-	-	1,950
Power Outage Mitigation	1,750	x	-	-	1,500	3,250
Modernization of Elevators Motorization Systems - Phase II	1,420	-	-	-	-	1,420
Sub-total Building Related Projects	3,830	6,950	10,000	20,000	11,500	52,280
<u>Safety and Security Related Projects</u>						
Fire and Gas Safety	325	1,166	-	x	-	1,491
Renewal of Critical Physical Security Systems Hardware	602	244	-	-	-	845
Upgrade of Critical SSCS Security ICT Systems	447	115	-	-	-	562
Increased Intrusion Prevention	-	55	-	-	-	55
Strong Authentication System	-	778	-	-	-	778
Sub-total Safety and Security Related Projects	1,374	2,358	-	-	-	3,731
Total Estimated Costs	19,043	14,212	10,000	20,000	11,500	74,755

x refers to projects for which cost estimates are still TBD

18. The CMP 2020-29 represents a rolling plan for capital investment projects and will be updated and presented to Member States on a biennial basis with refined scope and cost estimates for each project.

PROPOSAL FOR RESERVE FUNDING FOR CMP PROJECTS IN THE BIENNIUM 2020/21

19. Based on the CMP 2020-29 for buildings, safety and security, and the ICT needs identified, the projects proposed for funding from the Reserves in the biennium 2020/21 are summarized in Table 3.

Table 3: Capital Master Plan Projects 2020-21

(in thousands of Swiss francs)

Projects	Total
<u>ICT Related Projects*</u>	
WIPO IP Portal - Phase II	6,960
Hague Externalization Project	3,001
ECM Implementation - Phase II	2,718
Web CMS Technology Replacement	911
Treasury Management System (TMS)	250
Sub-total ICT Related Projects	13,839
<u>Building Related Projects</u>	
Multi-Media Studio (Finalization)	660
Power Outage Mitigation (AB and GB Buildings)	1,750
Modernization of Elevators Motorization Systems - Phase II	1,420
Sub-total Building Related Projects	3,830
<u>Safety and Security Related Projects</u>	
Fire and Gas Safety	325
Renewal of Critical Physical Security Systems Hardware	602
Upgrade of Critical SCS Security ICT Systems	447
Sub-total Safety and Security Related Projects	1,374
Total	19,043

* The Secretariat will revert with a proposal for the RSP - Phase II in 2020.

20. The total estimated one-time cost of the proposed key priority projects in 2020/21 amounts to 19 million Swiss francs.

21. Each proposed project/project-phase is self-contained. The approval of the projects for implementation in 2020/21 does, therefore, not prejudice any future decisions on funding projects/project-phases in subsequent biennia. A detailed description of each of the proposed projects to be financed from the Reserves is included in Annex I.

STATUS OF THE UTILIZATION OF RESERVES

22. The first principle (Principle 1) set out for use of the Reserves in the Revised Policy Related to the Reserves pertains to the availability of amounts above the reserve target level. The balance of Reserves in excess of the mandated reserve target level and the Special Projects Reserve is estimated at 130.7 million Swiss francs at the end of 2019. For the purposes of prudence, the calculation of available reserves excludes: (i) the Working Capital Funds and Revaluation Reserve Surplus, as per Principle 2 of the Revised Policy on Reserves; and (ii) the projected Overall Result after Reserve Expenditure for 2019.

Table 4: Estimated Status of the Reserves end 2019

(in millions of Swiss francs)

Total Reserves at 31.12.18 (actuarial gains/(losses) ¹ excluded)	360.2
<i>of which:</i>	
Accumulated Surpluses at 31.12.18	328.7
Special Projects Reserve at 31.12.18	31.5
<i>Estimated Movements of Special Projects Reserve in 2019</i>	
Estimated to be Returned to Accumulated Surpluses	(2.5)
Estimated Expenditure on Projects Financed from the Reserves in 2019	(13.4)
Proposed CMP Projects 2020/21	19.0
Special Projects Reserve (estimated) at 31.12.19	34.7
Total Reserves (estimated) excluding Special Projects Reserve at 31.12.19	325.6
RWCF Target 2020/21²	194.8
Balance of Reserves in Excess of Reserve Target Level³	130.7

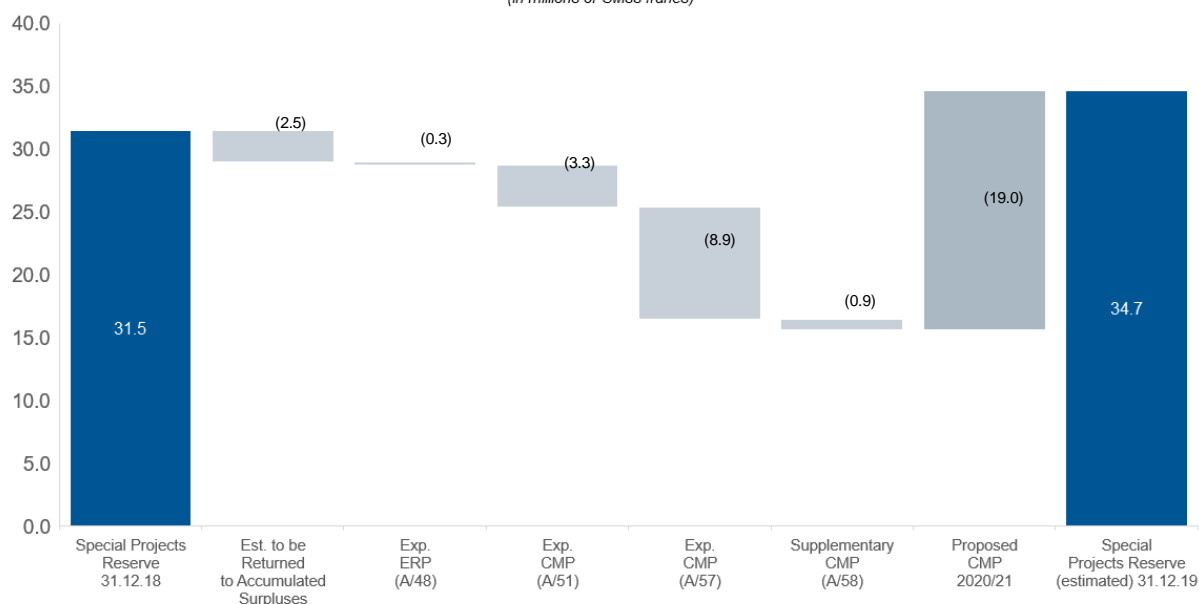
¹ Actual gains/(losses) at 31.12.18 amounted to 122.4 million Swiss francs.

² Reserve target is based on targets for the Unions determined in the Revised Policy on Reserves i.e. 25.8% of the total 2020/21 biennial budget of 756.1 million Swiss francs.

³ Does not take into account the projected Overall Result after Reserve Expenditure for 2019.

Estimated Movements of Special Projects Reserve in 2019

(in millions of Swiss francs)



23. As illustrated in Table 4, the proposed funding of 19 million Swiss francs for the CMP projects in 2020/21 can be absorbed without affecting the required target level of Reserves, as the projected balances can prudently accommodate the expenditures under the proposed projects. In addition, the estimated movements of the Special Projects Reserve in 2019 is illustrated in the above diagram.

24. It should be noted that, as the Organization's financial statements are prepared on an IPSAS basis, expenditure on Information Technology (IT) projects will be capitalized where it meets the required recognition criteria. Similarly, expenditure on building projects that extends the useful life or enhances the value of the affected buildings will also be capitalized. For each project, a determination will be made on whether capitalization is allowable under

IPSAS, as detailed information on the costs and scheduled implementation become available. Where a project is capitalized, the expenditure is recognized over the useful life of the resulting asset once the project has reached completion and is available for use. In these cases, the impact of the expenditure on the Organization's reserves is, therefore, deferred over a longer period through an annual amortization or depreciation charge, as opposed to an immediate impact as the project is implemented.

ALLOCATION OF PROPOSED CMP 2020/21 PROJECTS TO THE UNIONS

25. The CMP projects proposed for financing from the Reserves in 2020/21 are allocated to the Unions based on the extent to which they directly or indirectly benefit the Union(s):

WIPO IP Portal Phase II

- indirectly benefits the fee-funded Unions
- cost allocated as indirect Union expenditure to the fee-funded Unions
(*capacity to pay principle*)

Hague Externalization

- directly benefits the Hague Union
- cost allocated as direct Union expenditure to the Hague Union

ECM Implementation Phase II, WEB CMS Technology Replacement as well as Building and Safety and Security-related Projects

- indirectly benefits all Unions
- cost allocated as indirect admin expenditure to all Unions
(*capacity to pay principle*)

26. Table 5 provides an overview of the allocation of the costs of the proposed projects by Union. Table 5a provides an overview of the estimated movements of the Special Projects Reserve by Union in 2019. It should be noted that the estimated level of the Reserves at the end of 2019 by Union does not take into account the projected Overall Result after Reserve Expenditure for 2019 (please see paragraph 22).

27. As the Reserve balances for the Lisbon and the Hague Unions were in deficit at the end of 2018, the indirect Union and indirect admin costs are allocated to the Contribution-Financed (CF), the PCT and the Madrid Unions. The Hague Externalization Project will increase the projected deficit of the Hague Union at the end of 2019 by 3 million Swiss francs.

Table 5. Estimated Status of the Reserves end 2019 by Union
(in thousands of Swiss francs)

	CF Unions	PCT Union	Madrid Union	Hague Union	Lisbon Union	Total
Total Reserves at 31.12.18 (actuarial gains/(losses) ¹ excluded)	20,406	316,423	61,503	(36,278)	(1,825)	360,229
<i>of which:</i>						
Accumulated Surpluses at 31.12.18	20,101	293,414	53,602	(36,559)	(1,825)	328,733
Special Projects Reserve at 31.12.18	305	23,009	7,900	281	-	31,496
<i>Estimated Movements of Special Projects Reserve in 2019</i>						
Estimated to be Returned to Accumulated Surpluses	(66)	(2,047)	(357)	-	-	(2,470)
Estimated Expenditure on Projects Financed from the Reserves in 2019	(142)	(12,022)	(1,182)	(67)	-	(13,414)
Proposed CMP Projects 2020/21	246	14,241	1,555	3,001	-	19,043
Special Projects Reserve (estimated) at 31.12.19	343	23,181	7,916	3,215	-	34,654
Total Reserves (estimated) excluding Special Projects Reserve at 31.12.19	20,064	293,242	53,587	(39,493)	(1,825)	325,575
RWCF Target 2020/21²	19,091	133,380	37,689	4,686	-	194,847
Balance of Reserves in Excess of Reserve Target Level³	972	159,862	15,898	(44,179)	(1,825)	130,728

¹ Actual gains/(losses) at 31.12.18 amounted to 122.4 million Swiss francs.

² Reserve target is based on targets for the Unions determined in the Revised Policy on Reserves i.e. 25.8% of the total 2020/21 biennial budget of 756.1 million Swiss francs.

³ Does not take into account the projected Overall Result after Reserve Expenditure for 2019.

Table 5a. Estimated Movements of Special Projects Reserve in 2019 by Union
(in thousands of Swiss francs)

	CF Unions	PCT Union	Madrid Union	Hague Union	Lisbon Union	Total
Special Projects Reserve at 31.12.18	305	23,009	7,900	281	-	31,496
<i>Estimated Movements of Special Projects Reserve in 2019</i>						
Estimated to be Returned to Accumulated Surpluses	(66)	(2,047)	(357)	-	-	(2,470)
Estimated Expenditure on Projects Financed from the Reserves in 2019						
Enterprise Resource Planning (ERP) (A/48)	(8)	(237)	(34)	-	-	(279)
Capital Master Plan Projects (A/51)	(18)	(3,221)	(79)	-	-	(3,319)
Capital Master Plan Projects (A/57)	(98)	(7,918)	(900)	-	-	(8,916)
Supplementary Capital Master Plan Projects (A/58)	(19)	(646)	(169)	(67)	-	(901)
Sub-total Estimated Expenditure	(142)	(12,022)	(1,182)	(67)	-	(13,414)
Proposed CMP Projects 2020/21	246	14,241	1,555	3,001	-	19,043
Special Projects Reserve (estimated) at 31.12.19	343	23,181	7,916	3,215	-	34,654

IMPACT ON CASH FLOWS AND LIQUIDITY LEVELS OF THE RESERVES

Impact on Cash Flow

28. After setting aside the operational reserve target of 22 per cent of the Program and Budget (157.0 million Swiss francs for 2016/17 and 160.4 million Swiss francs for 2018/19) and the Reserves established for the ASHI liability funding (Strategic Cash amounting to 124.4 million Swiss francs at the end of 2017, and 125.8 million Swiss francs at the end of 2018), the balance of Core Cash, including the Special Projects Reserve, is as follows:

Table 6: Reserves as per Investment Policy
(in millions of Swiss francs)

	31-Dec-18	31-Dec-17
Total Cash and Investments	616.3	543.8
Operating Reserve (RWCF target 2016/17 and 2018/19)	160.4	157.0
Strategic Cash	<u>125.8</u>	<u>124.4</u>
Core Cash*	330.1	262.4

*Core Cash includes the Special Projects Reserve

29. The balance of cash and investments increased by 72.5 million Swiss francs between December 31, 2017, and December 31, 2018. The cash generated by the Organization in 2018 has enabled it to comfortably absorb the full repayment of its loans with the Foundation for Buildings for International Organizations (FIPOI). WIPO repaid the remaining balance of 16.9 million Swiss francs on these loans in January 2018, in accordance with its strategy to limit the impact of current negative Swiss franc interest rates. The Organization retains sufficient liquidity available for cash requirements.

30. In accordance with WIPO's Investment Policy, the Core Cash balance is invested while ensuring that sufficient cash is made available to meet contingencies should it be required. In addition, WIPO's cash balances are replenished on an annual basis with operating surpluses.

Liquidity Levels of the Reserves

31. The liquid portion of WIPO's net assets has been defined as the excess of its current assets over its current liabilities after certain adjustments are made based on IPSAS requirements. The position of the liquid portion of the net assets has moved from 239.9 million Swiss francs at the end of 2017 to 297.4 million Swiss francs at the end of 2018.

32. During 2017 and 2018, the Organization made significant investments as part of its Revised Policy on Investments. In the 2017 and 2018 Annual Financial Statements, WIPO has reclassified the portion of cash invested for the Core and Strategic Reserves to non-current assets, since the Organization plans to hold these reserves in investments, which exceed a one-year timeframe in order to maximize return while preserving capital. The Strategic Cash is invested for the longer term, resulting in a reduction of liquid reserves. The Core Cash has been invested in such a way as to ensure that the funds remain available should they be required to meet any contingencies. Therefore, for the calculation of Reserve liquidity, the Core Cash investments are considered liquid. However, it is important to note that the Core Cash is invested with the objective of generating a positive return over rolling five-year periods.

33. Other adjustments made for elements included in current assets and liabilities based on IPSAS requirements, resulting in an estimation of the liquid portion of the net assets, are as follows:

- (i) The current asset inventories represent the value of publications printed but not distributed or sold. Since most of this element will not result in the receipt of cash, it is not included in the current assets for the purpose of the calculation of the net liquid balance; and
- (ii) Advance receipts, net of the current asset Accounts Receivable PCT, represent the portion of PCT, Madrid, the Hague fees already received by WIPO in cash but for which publication has not been completed. In accordance with IPSAS, these funds are considered advance, “unearned” receipts and are not reflected in revenue until the publication date. However, unlike other liabilities, advance receipts represent deferred revenue already received in cash, which will form part of WIPO’s revenue and surplus within a period of 12 months or less. Therefore, the cash portion of advance receipts are not considered an offset to WIPO’s liquid assets, since they do not result in any outflow of cash resources.

Table 7: Evolution of Net Liquid Reserves

(in millions of Swiss francs)

	31-Dec-18	Position after Adjustments 31-Dec-18	31-Dec-17	Position after Adjustments 31-Dec-17
Current Assets	307.9		341.1	
Core Cash non-current investments		261.1		174.2
Accounts Receivable PCT		(55.6)		(50.8)
Adjustment for inventories		(1.3)		(1.3)
Net liquid current assets		512.1		463.2
Current Liabilities	510.9		505.3	
Adjustment for advance receipts		(296.2)		(282.0)
Net liquid current liabilities		214.7		223.3
Net current assets*	-203.0		-164.2	
Liquid portion of net assets		297.4		239.9

* The 2017 comparative presentation has been amended by a reclassification of 826 thousand Swiss francs from advance receipts to transfers payable to accurately reflect the nature of Madrid deposit balances at December 31, 2017.

34. As mentioned above, WIPO Reserves are replenished on an annual basis with operating surpluses. These are projected to a total 39.2 million Swiss francs (budgeted Operating Result before Reserve Expenditure) for 2019.

35. It should also be noted that during the twenty-ninth session of the PBC, the Secretariat presented a Financing Plan to Restore Coverage of Long-Term Employee Benefits at WIPO¹⁰. If approved by the Assemblies, an amount of 38.3 million Swiss francs would be transferred to Strategic Cash.

36. WIPO’s available cash and the liquid element of its reserves are both more than sufficient to fully finance the level of cash outflow proposed in the proposed CMP Projects, the balances of the existing CMP projects and the 38.3 million Swiss francs for coverage for long-term employee benefits financed from the Reserves.

¹⁰ Document WO/PBC/29/6

CMP PROJECTS FOR THE BIENNIUM 2020/21 AND RESERVE POLICY PRINCIPLES

37. The below provides a synopsis of the analysis of compliance for each of the principles contained in the Revised Policy related to Reserves for the use of the Reserves.

PRINCIPLE 1: Proposals for the use of the RWCF should only pertain to the amounts available in the RWCF exceeding the target level required by WIPO's Policy on Reserves. This is applicable both at the level of individual Unions as well as at the level of the Organization as a whole.

Compliance with Principle 1: The balance of the Reserves (excluding WCF, Revaluation Reserve Surplus and actuarial gains/(losses) as at end 2018 amounted to 360.2 million Swiss francs. The proposed funding of CMP projects in the biennium 2020/21 amounting to 19 million Swiss francs is, therefore, well within the estimated Balance of Reserves in Excess of the Target Level, amounting to 130.7 million Swiss francs at the end of 2019.

PRINCIPLE 2: The calculation of the available reserves will be based on the information on the RWCF levels contained in the most recent financial statements and must take into due consideration the actual, committed and planned expenditures from reserves for the financial period(s) during which the proposed project will be implemented. The Revaluation Reserve Surplus (which arises from the revaluation of the land on which the new building has been constructed) and the Working Capital Funds (which were established through Member States contributions) will be excluded from the calculation of the amounts available in excess of the RWCF target.

Compliance with Principle 2: The calculation of the available Reserves excludes the WCF and Revaluation Reserve Surplus (Tables 4 and 5 refer).

PRINCIPLE 3: Proposals for the use of available Reserves should be limited and for one-time projects for capital improvements and exceptional circumstances, as decided upon by the Assemblies of the Member States and of the Unions, each as far as it and its available reserves are concerned. Capital projects would typically be identified in a long-term capital master plan and may be defined as projects related to construction/refurbishment and Information and Communication Technology that are needed to keep an Organization's facilities and systems fit-for-purpose through significant expansion or additions.

Compliance with Principle 3: The proposed projects are one-time, key capital investments related to either IT or premises/safety and security. Please see the descriptions of projects and their drivers in Annex I.

PRINCIPLE 4: Proposals for the use of the Reserves should be prepared in a comprehensive manner with information on full life cycle costs of the projects, estimated benefits (which may be both financial and qualitative in nature), recurring expenditures that the Organization will be committed to budgeting for as part of the regular budget in subsequent biennia, and the impact on cash flows and liquidity levels of the Reserves.

Compliance with Principle 4: Table 2 and Annex II provide a comprehensive overview of the key capital investments foreseen over the next 10 years (2020-29) for premises, safety and security, and ICT, including the full one-time cost of each project and/or project phases. The annual recurring costs for each project is included in Annex I.

In addition, the CMP 2020/21 proposal is not estimated at having any negative impact on cash flows and liquidity levels of the Reserves (please see paragraphs 31 to 36).

PRINCIPLE 5: Proposals for the use of the Reserves may be for projects and initiatives that are outside the biennial financial period of the Organization and may cut across, or last for, more than one biennia.

Compliance with Principle 5: Subject to the WIPO Assemblies' approval of the proposed CMP 2020/21 projects/project phases, implementation of the projects may start in the 4th quarter of 2019 and continue in the biennium 2020/21.

38. The following decision paragraph is proposed.

39. The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned, to approve, from the WIPO Reserves, the funding of the projects presented in the CMP 2020-29 for the biennium 2020/21, amounting to a total of 19 million Swiss francs.

[Annexes follow]

ANNEX I – CMP Proposals

ICT RELATED PROJECTS

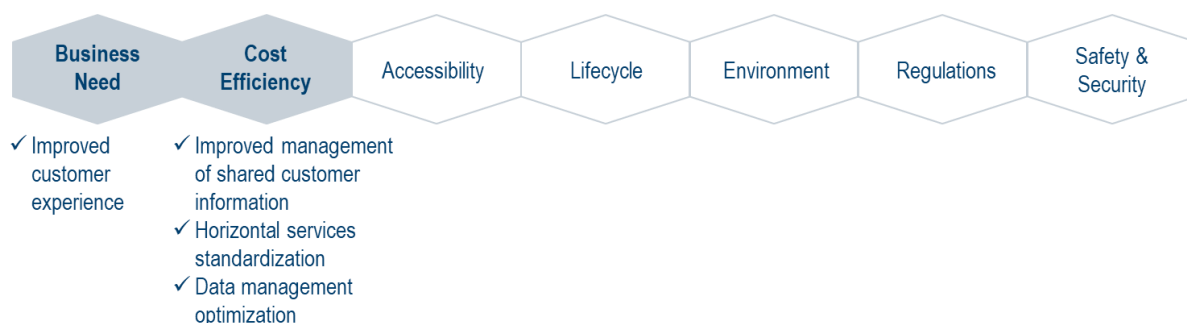
WIPO IP PORTAL PHASE II¹¹

Business Case

WIPO is investing in an IP Portal that will provide a seamless and consistent experience for users across all of our Global Systems. The WIPO IP Portal, assuring a uniform customer interface across all of the global systems and providing integrated financial and identity management services, is being deployed using a phased implementation strategy.

A new consolidated and more uniform customer experience is being achieved through the implementation of Phase I, being essential given the growth in the number of users of WIPO services and the enhanced reliance by the Organization on ICT for providing its services. Phase I will provide a single, simple and effective portal for WIPO's customers to be informed of and to use WIPO's full range of services, including novice customers such as SMEs and individual businesses, particularly in developing countries.

Phase II will build on the foundations established in Phase I, focusing on further digital transformation activities, increasing automation in software development processes, addressing the need for greater understanding of customer entities and introducing more self-service capabilities for customers.



Objectives

The WIPO IP Portal aims to introduce a single entry portal to users of WIPO fee-paying digital services. The WIPO IP Portal connects multiple IT platforms of WIPO's fee-paying services such as PCT, Madrid, and the Hague Systems (WIPO Global IP Protection systems), each of which has been developed and operated as a separate IT platform. The WIPO IP Portal would provide a single-entry portal to users of WIPO Global Protection systems services and Arbitration and Mediation Center (AMC) services via a single WIPO account for each user and implement a user-friendly navigation policy, a common user interface and a central payment portal.

The integration of multiple platforms is urgently needed for the International Bureau (IB) to cope with a significant increase in the quantity and variety of IP data managed across different business areas. As use of the Global IP systems increases, a more integrated approach to data processing is required to mitigate the processing overheads that would

¹¹ "The Global IP Platform" has been renamed to "the WIPO IP Portal".

otherwise be associated with fragmented and independent data processing solutions within each service's IT systems.

The WIPO IP Portal is building upon ICT investments and providing opportunities to make more strategic, cross-sector ICT decisions. Through strategic process and architectural standardization, the WIPO IP Portal will facilitate cost containment in ICT investments and improve scalability in business solutions, while assuring operations and data quality are not compromised.

Expected Benefits

The expected benefits of the WIPO IP Portal Program are summarized below.

Benefit Description	KPIs	Baseline	Target for Phase II
Increased organizational efficiency through the implementation of a program management framework, a unified support model and standard payment processing	MSP Health check	TBD at end Phase I	80%
A cohesive and uniform customer experience across the breadth of WIPO's external-facing ICT systems	Alignment to IP Portal minimum standards from the IP Portal Matrix (Common Look and Feel, Common Navigation, ePay v2 and WIPO Accounts)	TDB at end Phase I <i>(estimated at around 44%)</i>	15% increase
Increased positive perception of WIPO services and brand recognition	Customer satisfaction score	TBD in Sept 2020 <i>(estimated at around 76%)</i>	5% increase
Ease of use and improved customer experience for users of WIPO's external-facing ICT systems	Customer satisfaction score	TBD in Sept 2020 <i>(estimated at around 76%)</i>	5% increase
	Alignment to IP Portal minimum standards	TDB at end Phase I <i>(estimated at around 44%)</i>	15% increase
Ease of payment for customers using modern financial transaction processing facilities and enabling the availability of consolidated payment information	Number of users using payment widgets	TBD in Sept 2020 <i>(estimated at around 300)</i>	500 users
	Number of users using Current Account widgets	TBD in Sept 2020	500 users
Enhanced customer data quality and customer relationship management	Rate of account collaboration	0	10% increase***
Increased use of the services integrated with the WIPO IP Portal	Number of users of a service* per quarter	TBD in Q3/4 2020	5% increase
Increased customer satisfaction with WIPO's service provision	Customer satisfaction score	TBD in Sept 2020 <i>(estimated at around 76%)</i>	5% increase
Increased contribution to innovation and creativity for the benefit of all by making WIPO's services more accessible to SMEs and individual businesses, particularly in developing countries	Number of users** of a service per quarter	TBD in Q3/4 2020	5% increase (average)
Increased cost efficiency and productivity for IT development teams through synergies across business lines and IT platforms	% alignment on IP Portal matrix	TBD in Sept 2020 <i>(estimated at around 60%)</i>	5% increase****
Increased sustainability of the WIPO IP Portal Platform and of WIPO's ICT systems by improving the scalability and resilience of IT solutions adopted	% alignment on IP Portal matrix	TBD in Sept 2020 <i>(estimated at around 60%)</i>	5% increase****

* Services that are identified as underused/new or have other reason for promotion

** Users that are identified as belonging to SMEs and individual businesses in developing countries

*** Further definition of the customer account model required in order to accurately determine the KPI measure

**** TBD

Deliverables and Budget

The expected deliverables for Phase II and the associated budget (2020/21) are shown in the table below.

Deliverables	Budget* (in Swiss francs)
Expansion of the WIPO IP Portal dashboard functionality, increased communication between the WIPO IP Portal and the integrated business applications, with additional personalized assistance, improved coverage of common portfolio-oriented features, and the facilitation of enhanced mobile capabilities	1,308,000
Migration of additional business applications to the platform, including implementation of the common user interface, common navigation system, and common payment processing module	1,206,000
Increased standardization of horizontal services, including the integration of standardized customer support; implementing common user groups capabilities into the account management system; and exploring the introduction of consistent content authoring-tools and processes for Portal texts	540,000
Establishment of an enterprise-level analytics platform and data warehouse solution, enabling value-addition to existing services via the strategic application of data science while increasing investment in assuring customer privacy and security	1,412,000
Implementation of a converged developer portal for stakeholders such as IP Offices, applicants and third party software vendors, improving developer experience and the adoption of modern API-based interaction with the Portal	192,000
Design and deploy an initial backend API management environment, enabling greater and consistent cybersecurity across applications and the externalization of software and data assets	768,000
Ongoing development of the WIPO IP Portal, delivery of high quality Program administration, production and management of strategies/plans according to MSP methodology and the support and management of the platform	1,294,000
Increased convergence in data processing and IT solutions, implementation of policy for software development and further expansion of a converged software development pipeline	240,000
Total	6,960,000

**Program management and technical experts are included in the budget by deliverable*

Estimated Recurring Operational Costs

The estimated recurring costs following the completion of Phase II are estimated at 500,000 Swiss francs per year.

THE HAGUE EXTERNALIZATION PROJECT (HEP)

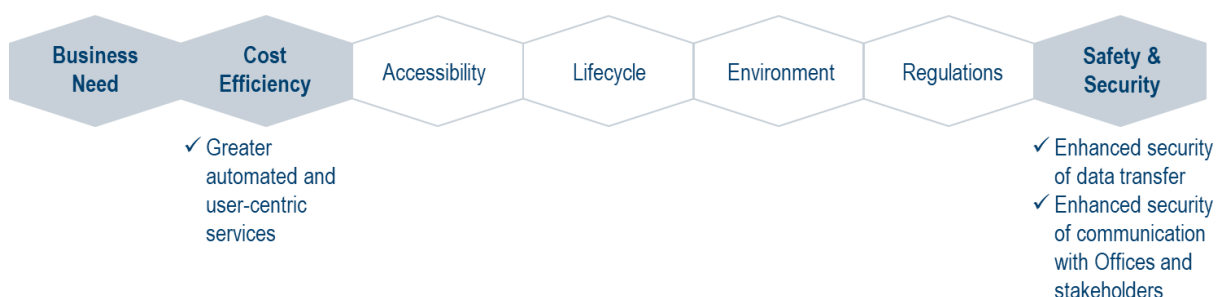
Business Case

The Hague System has undergone profound transformation in recent years, as its sudden expansion to territories where substantive examination of designs is undertaken has added complexities to its usage and administration.

To address the increasing workload and complexities of the Hague System, the Hague Registry undertook a project over the course of 2017 and 2018 to modernize its core back office IT system based on modern micro-service technology. From a business perspective, the clear and specific goal of the project was to reproduce the basic functionality and processes of the legacy system, while achieving benefits in terms of increased data granularity (ST.96), resilience and reliability – while still ensuring the integrity of existing registry data. The new Hague Platform was completed at the end of 2018.

Functionality improvements, including enhanced services and features for Offices, applicants, and third parties were not included as part of the Hague Platform Project. Thus, the Hague Externalization Project (HEP) is a user-focused project that aims at delivering sustainable, user-driven services and enhanced standardized integrations with Offices. It seeks to address the IT developments required for modernizing and streamlining of all external-facing business functions, in particular by addressing the need for:

- real-time and direct synchronous access to all information and data relating to international applications registration based on a differentiated access right management system;
- improved options for real-time and direct synchronous data exchanges with Offices;
- alignment between the ICT systems of national Offices and the IB resulting in improved, transparent and more efficient data exchanges;
- launch of modern, scalable and robust electronic notifications for internal and external users that would start to reduce processing delays and reliance on paper and physical mailing costs and lead to increased user satisfaction;
- enhanced, clear, user-driven quality services through online eForms to help users improve the quality of their submissions, reduce deficiencies and increase their efficiencies; and
- ensuring that the Hague system continues to adapt to user needs and expanding technical options.



Objectives

The objectives of the HEP are to:

- ensure that the International Bureau is equipped to manage the expected increase in application volume and international registrations, particularly in light of future growth and expansion of the Hague System and the evolutions in design law;
- meet applicant expectations for what has become an industry norm: where requests and communications can be actioned easily and quickly electronically; and
- to improve the Hague's services to WIPO's stakeholders and the international IP community, as well as further integrate user and Office perspectives in the delivery of services.

Expected Benefits

The HEP project is expected to yield the following benefits:

- improved productivity and efficiency for external and internal users;
- increased responsiveness to users and Offices;
- capability to provide better service through a user-driven approach;
- greater quality in application submissions; and
- improved security related to data exchange between the IB and users.

Deliverables and Budget

The expected deliverables for the HEP Project and the associated budget (2020/21) are shown in the table below.

Deliverables	Budget* (in Swiss francs)
The migration to the cloud of the Hague's four user-facing applications (eFiling, eLoop, eRenewal and the Hague Customer Database), implementation of centralized, cloud based, monitoring system, technical support to the evolution of the legal framework, and enhanced access rights management	232,822
Enhancements to the Office data exchange with the IB	784,298
Extensions and enhancements of services provided to the Hague system users such as extension of the current online services in respect of the available languages, ability of rights holders to submit requests for changes in relation to industrial design registrations registered with WIPO and support of instant on-line communication between WIPO examiners and system users comprising notifications via the WIPO IP Portal	1,100,597
Consolidation of legacy Registry information to the new platform alongside associated granularization in line with ST.96	511,598
Enhancements to the Hague Platform's IB System, specifically to improve user service and productivity through the use of AI tools	371,598
Total	3,000,914

*Project management is included in the budget by deliverable

Estimated Recurring Operational Costs

The recurring maintenance and operational costs following the completion of the HEP are estimated at 44,000 Swiss francs per year.

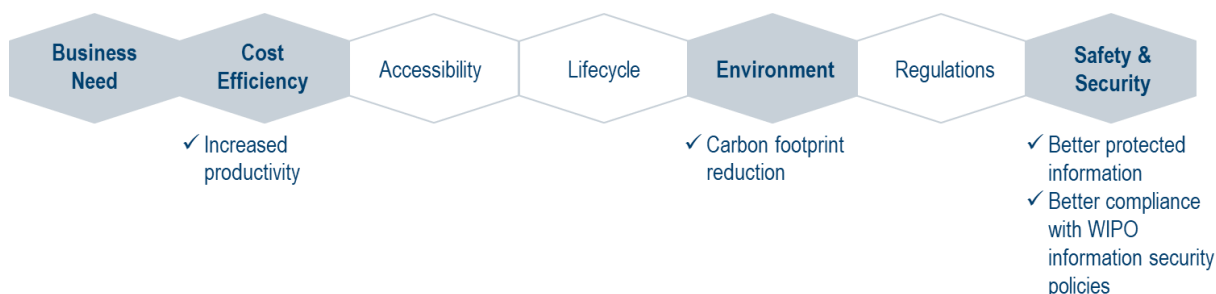
ENTERPRISE CONTENT MANAGEMENT (ECM) PHASE II

Business case

The Phase I of an ECM Implementation project to introduce “a central enterprise repository to store documents.” (WO/PBC/21/18) was approved by the WIPO Assemblies in 2013. It focused primarily on implementing a set of “early win” ECM sub-projects¹², each using different capabilities of the ECM solution to address a specific need. The project, which will be completed by the end of 2019, will have successfully implemented the underlying technical infrastructure of the ECM application, including the base configuration of the document repository (compliant with digital records management and information security requirements), as well as five business-process-specific sub-projects. A sixth sub-project, planned to digitize mail management in the Office of the Director General has been postponed to the next phase in order to allow expansion of the scope and benefits.

The benefits of the ECM platform, however, are currently limited primarily to the business units involved in the Phase I sub-projects. The full value of the ECM platform can only be realized following the roll-out to the rest of the Organization.

Phase II and Phase III of the ECM project (to be implemented in the biennia 2020/21 and 2022/23 respectively), therefore, will progressively migrate the majority of WIPO business units onto the ECM platform and equip staff Organization-wide with the tools and knowledge to leverage its capabilities. Building on the foundation and experience of Phase I, Phase II will accelerate the digital transformation of core internal information and document management capabilities, thereby improving productivity, process efficiency, knowledge-sharing, records management and information security. The current proposal covers Phase II of the project for implementation in the 2020/21 biennium.



Objectives

The objectives of the Phase II of the project are to:

- enable WIPO to digitally manage the vast volumes of records and information which are generated daily across WIPO in diverse formats; and
- enable business units to meet their core needs for capturing, sharing, searching, leveraging and preserving the knowledge contained in documents.

¹² The business needs addressed in the sub-projects were in the areas of: (i) corporate records and archives – Finance Division; (ii) translation requests; (iii) procurement vendor and contract management; (iv) digital management of staff records; (v) mission documents; and (vi) DG’s incoming mail (postponed to Phase Two in order to expand to all incoming mail). A seventh cross-cutting sub-project, currently in progress, is the planning/preparation, methodologies and tools for the Phase II WIPO-wide roll-out of ECM capability.

Expected Benefits

Phase II will enable WIPO to realize the wide-ranging benefits of an ECM system, notably:

- better access to corporate knowledge, prevention of loss of institutional knowledge when individuals leave, and reduction of unnecessary re-work;
- increased productivity and improved response times to customers;
- ensured protection of WIPO's valuable records and archives, while facilitating the timely disposal of content that has passed its retention period;
- enhanced ability to apply security classifications and protect sensitive information;
- enhanced business efficiency and associated cost savings; and
- reduced volume of data, associated cost and environmental impact of data storage.

Deliverables and Budget

The expected deliverables for Phase II and the associated budget (2020/21) are shown in the table below.

Deliverables	Budget <i>(in Swiss francs)</i>
WIPO Wide Migration of content to the ECM Platform	
- integrate the ECM application into the standard corporate desktop environment for all WIPO users	573,000
- develop folder-structures ("business file-plans") and workspaces, adapted to the operational needs of each business unit, which enable users to share, protect and manage content within the ECM repository in accordance with relevant information governance policies	1,056,000
- migrate content as required from legacy repositories (shared drives) according to agreed migration strategies	626,800
- educate and train all users to leverage the capabilities of the system.	268,000
Develop and implement "eCourier System"	
- develop and implement an "electronic courier system" to digitize the current paper-based workflows for managing incoming official correspondence	80,000
Develop and Implement "electronic Memorandum"	
- develop and implement an "electronic Memorandum" workflow to digitize standard internal approval and reporting processes which are currently paper-based	80,000
Additional Projects Evaluation	
- evaluate proposals for additional projects which would use the ECM capabilities to address business needs	34,000
Total	2,717,800

Estimated Recurring Operational Costs

The recurring costs for UNICC hosting, technical maintenance and support of the application, and OpenText license maintenance for the first 1,000 licenses were already foreseen under Phase I and are included in the Regular Budget for the biennium 2020/21. Additional recurring costs required for the additional 500 licenses that will be purchased during Phase II are estimated at: 90,000 Swiss francs per year from 2021 and 90,000 Swiss francs per year from 2023.

WEB CMS TECHNOLOGY REPLACEMENT

Business Case

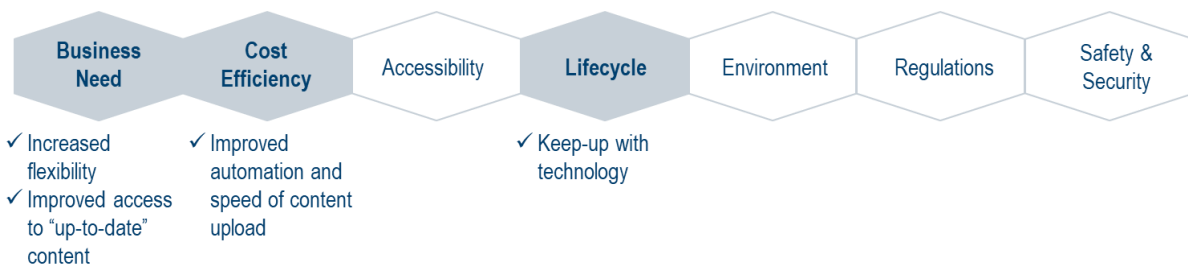
WIPO currently uses OpenCMS as the web content management system (WCMS) to manage the web content and publishing workflow of the following sites:

- www.wipo.int
- www.accessiblebooksconsortium.org
- <http://intranet.wipo.int/portal/en/>
- www.upov.int

An external market survey concluded that OpenCMS is no longer the best WMCS solution for a modern content management system for WIPO. Maintaining the OpenCMS workflow requires technical skills (knowledge of HTML) for each of the steps, which can lead to long waits for large updates and make regular updating/cleanup both difficult and time-consuming. For example, any layout changes need to be coded in HTML, and more complex functions such as faceted search, can only be coded manually by our developer. In addition, upgrading the current version of OpenCMS used by WIPO to a newer version would result in a loss of key functionalities.

A modern content management system for WIPO should be modern, flexible, user-friendly and functional and would include the following functionalities:

- ability to store web content as modules (bits of content that can include a mix of differently formatted text and multimedia) rather than as individual pages;
- more user-friendly methods of building pages with advanced functionality (through “drag & drop” possibilities to add different content modules straight into the page and insert functionalities such as sorting of data and faceted search with a couple of clicks); and
- out-of-the-box solutions for inclusion and managements of “social features” such as forums and user functionalities such as customized dashboards.



Objectives

The objectives of this project are to:

- provide a cutting-edge web experience to WIPO’s external audience, including more, and more frequently updated content in all official languages; and
- facilitate both the support and the integration with other WIPO web-based applications.

Expected Benefits

A modern content management system for WIPO would bring the following benefits:

- reduced risks associated with using a WCMS that is not widely used;
- enabled decentralization of web publishing through a user-friendly interface for web publishers that does not require knowledge of CSS/HTML code. This would enable the owners of web content to keep their web pages up to date without having to wait for availability of a central web publisher; and
- keep up with technology by modernizing the web structure, functionality and design, allowing the rest of the “static” web to adopt a more complementary design to the WIPO IP Platform look and feel.

Deliverables and Budget

The expected deliverables and the associated budget (2020/21) are shown in the table below.

Deliverables	Budget <i>(in Swiss francs)</i>
New WCMS solution configuration, content migration, training and documentation	400,000
Delivery and implementation of the new "web design" and structure	140,000
Licensing, maintenance and support cost of the new WCMS system	130,500
Sub-total	670,500
Project management	240,000
Total	910,500

Estimated Recurring Operational Costs

The recurring maintenance and operational costs following the completion of the WCMS project are estimated at 50,500 Swiss francs per year.

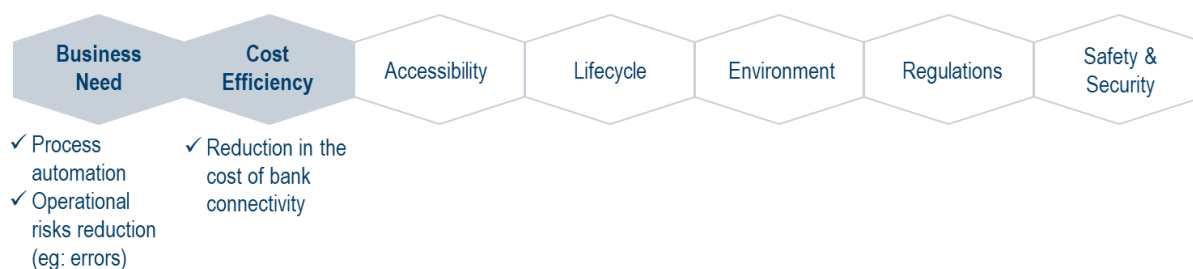
TREASURY MANAGEMENT SYSTEM

Business Case

In 2013, a study was performed by FTI Treasury, an independent specialist treasury service provider, on the treasury activities undertaken by WIPO. The study highlighted weaknesses in the current treasury infrastructure (“current-state”), specifically with regard to the level of integration with and automation within the ERP system throughout the treasury transaction life cycle. The accuracy of recording and the subsequent reconciliation of treasury transactions, including the timeliness of reporting, were highlighted as risk areas in the “current-state” treasury. In order to mitigate these risks, and based on the treasury activities managed in 2013, the FTI study recommended that WIPO undertake a non-committal and indicative assessment of a Treasury Management System (TMS) solution via a Request for Information to system vendors and service providers.

In 2017, the volume and value of investment-related treasury transactions increased significantly following the implementation of WIPO’s Policy on Investments. Furthermore, the on-going management of currency risks related to foreign exchange hedging transactions will continue to be required over the life of these investments. Consequently, an adequate treasury infrastructure would need to be established in order for WIPO to enhance the management and monitoring of risks associated with investments and related activities.

In 2018, the number of currencies under treasury management increased following the implementation of the PCT Netting Pilot. The volume of treasury transactions related to foreign exchange activities grew accordingly. In April 2019, an internal audit report on the PCT Netting Pilot highlighted the challenges in working with a number of sources of information in order to obtain a global view of currency exposures for the Organization. The audit report highlighted the advantages of replacing the current treasury-related tasks being undertaken manually with an automated solution in order to mitigate risks associated with netting operations.



Objective

The objective of the treasury management project is to enable WIPO to effectively monitor and manage the risks that are intrinsic to treasury operations.

Expected Benefits

The expected benefits of the project are as follows:

- improved security and reduced risk of error or payment fraud;
- improved cash visibility;
- improved efficiency in payment processing;
- improved deployment of cash for investment purposes;

- improved visibility and management of currency risk exposures; and
- reduced cost of bank connectivity services.

Deliverables and Budget

The expected deliverables for the TMS and the associated budget (2020/21) are shown in the table below. The targeted IT solution would be Software as a Service (SaaS) or cloud based.

Deliverables	Budget <i>(in Swiss francs)</i>
Cash management and payment services	
- new treasury technology in the area of payment algorithm and payment sanction filter	
- automated workflow that meets WIPO's cash management requirements	125,000
Foreign exchange and Investments services	
- real-time visibility and straight-through processing of WIPO's foreign exchange activities and investment transactions through integration with FXall, Custody Bank and Bloomberg	75,000
- automated transaction confirmations	
Treasury transaction recording and reconciliation services	
- automated workflows with AIMS that will cover recording and reconciliation for all treasury related transactions	50,000
Total	250,000

Estimated Recurring Operational Costs

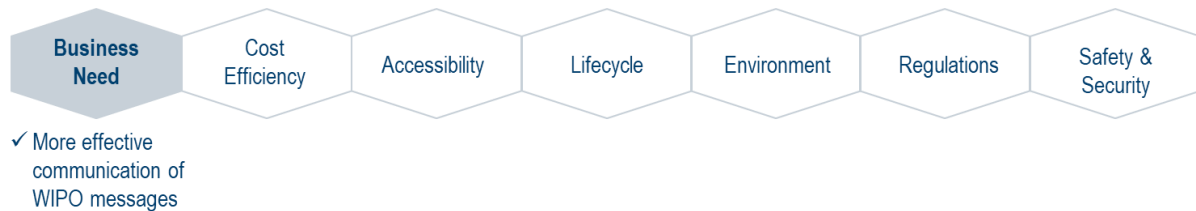
The estimated recurring cost amounts to approximately 30,000 Swiss francs per year.

BUILDINGS RELATED PROJECTS

MULTI-MEDIA STUDIO (FINALIZATION)

Business Case

The WIPO Assemblies in 2017 approved the Multi-Media Studio Capital Master Plan project¹³. The studio will enable the Organization to produce high quality videos on developments related to IP for use in communication with its Member States, for public information purposes, and for training.



Objectives

The objectives of the Multi-Media Studio are to:

- enhance WIPO's reputation as an innovative organization by distributing engaging video/visual communication using contemporary visual tools and techniques;
- increase the level of public interest generated in WIPO events/achievements through the use of video and other visual assets; and
- deliver more effective communication to WIPO's key stakeholders as well as the informed public about WIPO's role and activities.

A wide variety of video footage will be produced by the Multi-Media Studio, including productions suitable for:

- News: Institutional video messages, public interest announcement videos;
- "Current affairs" productions: WIPO initiated panel discussions, debates, interviews, footage for inclusion in news and documentaries;
- Promotion, publicity material and marketing videos: explainer videos, corporate videos, testimonials, event announcements, promotion and filler pieces;
- Audio recordings for use in video, radio and podcast productions;
- Learning/training tutorials; and
- Live session recordings for the website/social media, duplex mode, live feeds etc.

The multi-Media studio will include:

- studio floor/film set including a video recording and a photo shooting area;
- recording booth with sound proofing;
- a video, audio control and editing room; and
- a VIP-type waiting room and other amenities (restrooms, storage area, etc.).

¹³ Document WO/PBC/27/9

Expected Benefits

The expected benefits of the project are as follows:

- improved engagement through the WIPO website;
- improved engagement of content on WIPO's social media channels: Twitter, YouTube, Flickr;
- increased engagement through media, press agencies and TV networks around the world; and
- increased number and diversity of video and photo products to support marketing, promotion efforts, and media outreach.

Deliverables and Budget

The total budget of the Multi-Media studio was originally estimated at 1.7 million Swiss francs. Following the in-depth studies performed by the architects and engineers, and original quotes for the audio-visual equipment, an additional 660,000 Swiss francs is estimated to be required for the finalization of the studio. The additional budget requirement is detailed by deliverable in the table below.

Deliverables	Budget <i>(in Swiss francs)</i>
Ongoing building infrastructure (film set, editing room, master control room) and technical installations on basement levels	460,000
Equipment for VIP-type waiting room and other amenities (restrooms, storage area, etc.)	200,000
Total	660,000

Estimated Recurring Operational Costs

The estimated operational costs following the completion of the Multi-Media studio are estimated at 56,000 Swiss francs per year. These costs exclude the equipment leasing costs that are still to be determined.

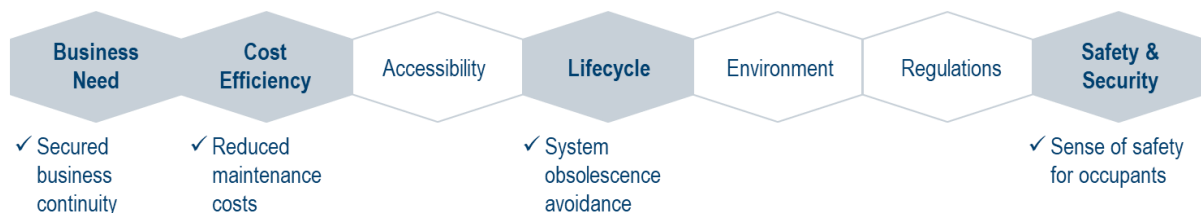
POWER OUTAGE MITIGATION IN THE AB (PHASE II) AND GB BUILDINGS

Business Case

The electricity supply for the AB, GBI and GBII Buildings¹⁴ is provided by a local provider through the city electricity grid. The existing standby power system supplied by the in-house generator does not have the capacity to support all the facilities and functions across those Buildings. The facilities and functions that cannot be supported include:

- full lighting in the AB Lobby, Room A and Room B;
- full lighting in offices and meeting rooms on upper office floors;
- electrical outlets in all offices and meeting rooms on upper floors (mainly for IT equipment (computers, printers and other electronic equipment)); and
- elevators (in the AB and GBI Buildings), service lift (in the AB Building) and the roof hanging platform for exterior cleaning of windows (for the AB Building).

As a matter of comparison, the more recent buildings of the WIPO Campus (PCT, NB and WCH) all benefit from a “full-fledged” standby mitigating power outage system. A “full-fledged” standby power system is considered a requirement at WIPO, in particular to maintain functionality of core business activities.



Objectives

The objective of the project is to ensure that all WIPO facilities and functions, across the WIPO Campus, will continue to be supported and to operate in case of a power outage.

Expected Benefits

The expected benefits of Phase II of this CMP project are the following:

For the AB Building:

- all installations secured in case of power outage (except for the first 10 seconds), including full lighting and all electrical outlets on all office floors, lobby, Room A and Room B, as well as all elevators; and
- increased comfort and sense of safety for occupants.

For the GB Buildings:

- a dedicated generator securing additional capacity available for future needs;
- compliance with Host Country regulations on electricity power distribution in buildings;

¹⁴ Part of the AB Building installations were covered by CMP14 approved in 2017.

- all installations secured in case of power outage (without interruption), including full lighting and all electrical outlets on all office floors, all elevators; and
- increased comfort and sense of safety for occupants.

Deliverables and Budget

The expected deliverables for Phase II and the associated budget (2020/21) are shown in the table below.

Deliverables	Budget <i>(in Swiss francs)</i>
Acquisition and installation of a new electrical distributor panel (AB Building)	143,824
Connection of additional installations to the new standby power system (AB Building)	143,824
Connection of the six elevators to the new standby system (AB Building)	-
Technical assessment of implementation for the GBI and GBII Buildings	137,831
Acquisition and installation of a new generator dedicated to the GBI and GBII Buildings on the roof of the GBI Building	227,721
Creation of a new room in the GBI basement to house the new main power distribution board and switch room for the GBI and GBII Buildings	359,559
Creation of a new room in the GBI basement to house the new Uninterrupted Power Supply (UPS) for the GBI and GBII Buildings	23,971
Acquisition and installation of a new UPS for the GBI and GBII Buildings in the newly created room in the GBI basement	29,963
Connection of all installations to the new standby system housed in the GBI and GBII Buildings	563,309
Sub-total	1,630,000
Project management	120,000
Total	1,750,000

Estimated Recurring Operational Costs

The recurring maintenance and operational costs following the completion of the project are estimated at 5,000 Swiss francs per year.

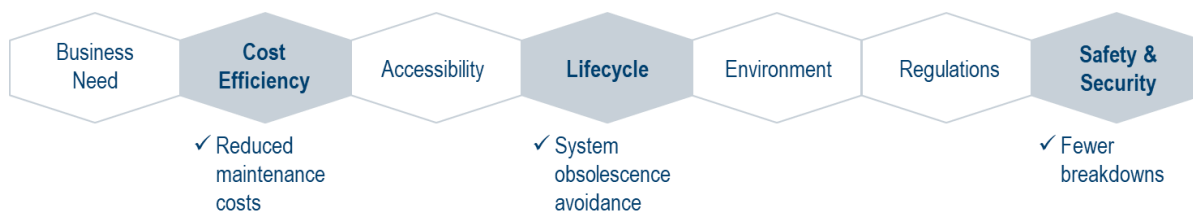
MODERNIZATION OF ELEVATORS MOTORIZATION SYSTEMS – PHASE II

Business Case

The six elevators of the AB Building¹⁵ date back to the building construction in 1978, and those in the GBI Building to the late 1950's. The elevators in the AB Building were partially renovated in 1998, but the motorization system was neither upgraded nor replaced. The technology of these systems is now obsolete and spare parts are no longer available. As a consequence, breakdowns are more frequent and the repair time increases significantly over time, causing increasing inconvenience for the occupants of the Buildings, delegates and visitors. In addition, there is a higher risk that some of the breakdowns may affect the ability of repairing the elevators.

In view of the above, a technical analysis was conducted by the elevator maintenance company in 2015. The report concluded that the motorization systems for the elevators would need to be replaced with a new technology in both the AB and GBI Buildings, and that some additional mechanical modernization would be required for the GBI elevators.

Following detailed feasibility studies conducted in early 2019, the respective scopes of Phase I and Phase II of the project have been adjusted versus the Capital Master Plan for Premises, Safety and Security for the Period 2018-2027¹⁶ in order to consider technical constraints. As a result, the work on the four central elevators in the AB building is included as part of Phase II (initially assumed to be partially part of Phase I). The full revised scope of Phase II is listed in the deliverables section of this document.



Objectives

The objective of the project is to ensure that WIPO staff, delegates and visitors can access all floors in the AB and GB Buildings in a timely and uninterrupted manner.

Expected Benefits

The expected benefits of Phase II of this CMP project are the following:

- improved responsiveness of the four main central elevators in the AB Building; and
- improved responsiveness of the two elevators in the GBI Building, servicing also the GBII Building.

¹⁵ Part of the AB Building elevator motorization systems are covered by CMP16, which was approved in 2017.

¹⁶ Annex VIII of document WO/PBC/27/9

Deliverables and Budget

The Phase II of the project will comprise:

- modernization of the elevator motorization system of the four main central elevators in the AB Building¹⁷;
- replacement of the two elevators in the GBI Building, including the cabins, doors and the entire installations and systems.

The expected deliverables for Phase II and the associated budget (2020/21) are shown in the table below.

Deliverables	Budget <i>(in Swiss francs)</i>
Acquisition and installation of the new motorization system for the four main central elevators (with decommissioning and dismantling of the existing systems) in the AB Building	1,005,778
Acquisition and installation of two new elevators, including cabins, doors and the entire installations and systems (with decommissioning and dismantling of the existing two elevators) in the GBI Building	294,222
Sub-total	1,300,000
Project management	120,000
Total	1,420,000

Estimated Recurring Operational Costs

The recurring maintenance and operational costs following the completion of the project are estimated at 14,000 Swiss francs per year.

¹⁷ Phase I included one of the other elevators in the AB Building.

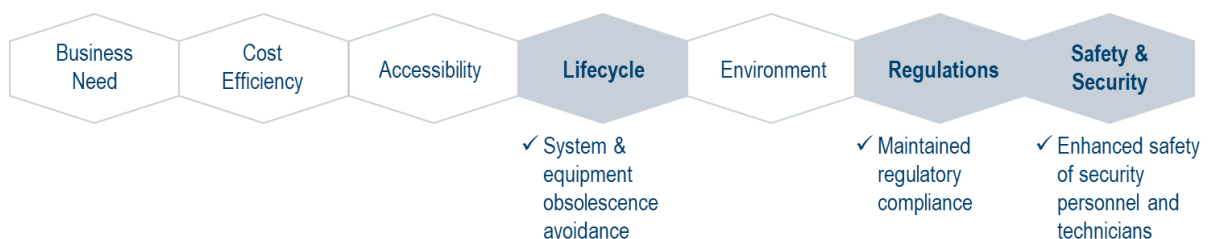
SAFETY AND SECURITY RELATED PROJECTS

FIRE AND GAS SAFETY

Business Case

This project, foreseen in the Capital Master Plan for Premises, Safety and Security for the Period 2018-2027¹⁸, is intended to replace two critical elements of WIPO Headquarters safety apparatus to ensure that WIPO remains compliant with Swiss federal legislation and fire regulation (*the Association des Etablissements Cantonaux d'Assurance Incendie, AEAI*). The two systems to be replaced are: (i) the gas leak detection system and (ii) the fire/smoke detection management system.

- (i) Gas leak detectors in the AB (gas inlet and burners) and PCT (kitchen) Buildings were installed in 2006. Following over 12 years of service, the supplier can no longer guarantee maintenance and spare parts for the system are unavailable, thus putting the gas leak detection system at risk of critical failure. The system also presents a significant secondary risk to occupational safety in its current configuration, as it does not allow for remote monitoring. In the event of a leak, an operator must risk entering the affected area to take a reading from the detector panel. To mitigate this risk, the obsolete gas detectors will be replaced with an upgraded system that links in directly to the Security Operational Center (SOC), allowing for real-time, remote monitoring. This will provide additional safety to security guards or technicians intervening in areas potentially affected by gas leaks, and ensure compliance with local/federal regulations and legislation.
- (ii) The fire and smoke detection management systems in the AB and GB Buildings have reached the end of their serviceable life and the supplier is no longer ensuring maintenance and support. The current automatic fire and smoke detection management system in the AB and GB buildings are currently supporting two types of fire/smoke detectors and are not able to communicate with the SOC efficiently. In addition, the current management panel is not able to house the new technology that will be installed during planned renovations under CMP 17 *Installation of Fire Doors and Walls (and other fire protection measures) in the GB Building*. The proposed new detection system will be able to fully communicate with the SOC using compatible BACnet¹⁹ protocols and existing SOC tools, resulting in improved monitoring, response (such as fire door control), and compliance with fire safety regulations.



Objective

¹⁸ Annex VIII of document WO/PBC/27/9

¹⁹ BACnet is a communications protocol for Building Automation and Control (BAC) networks that leverage the ASHRAE, ANSI, and ISO 16484-5 standard [1] protocol. BACnet was designed to allow communication of building automation and control systems for applications such as heating, ventilating, and air-conditioning control (HVAC), lighting control, access control, and fire detection systems and their associated equipment. The BACnet protocol provides mechanisms for computerized building automation devices to exchange information, regardless of the particular building service they perform.

The objective of the project is to fulfill WIPO's broader duty of care obligations to staff, delegates and visitors as they relate to occupational safety.

Expected Benefits

The expected benefits of this CMP project are the following:

- continued compliance with AEAI standards;
- increased safety for security personnel & technicians responding to gas leak alarms;
- reduced likelihood of a gas leak turning into a gas explosion;
- increased efficiency for security staff (remote monitoring of fire and gas alarms); and
- reduced number of false alarms and savings on Fire Department fees paid when false alarms occur.

Deliverables and Budget

The expected deliverables and the associated budget (2020/21) are shown in the table below.

Deliverables	Budget <i>(in Swiss francs)</i>
Gas detection system in AB Building	33,000
Gas detection system in PCT Building	22,000
Fire and smoke detection management system upgrade in AB and GB Buildings	220,000
Sub-total	275,000
Project management	50,000
Total	325,000

Estimated Recurring Operational Costs

The recurring costs of maintenance and operation of the fire and safety upgrades are estimated at 27,500 Swiss francs per year.

The lifetime of the infrastructure installed is between 10 to 15 years.

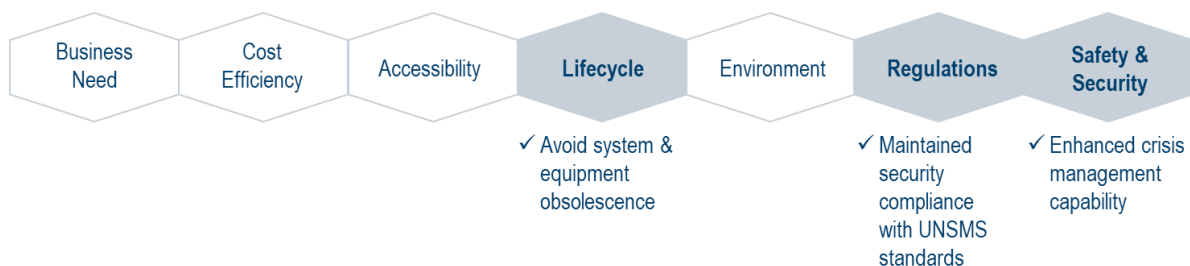
RENEWAL OF CRITICAL PHYSICAL SECURITY SYSTEMS HARDWARE

Business Case

Since 2010, the Headquarters Minimum Operational Security Standards (HMOSS) project and physical security upgrades have significantly increased WIPO's ability to secure and manage a complex Headquarters campus in line with United Nations Security Management Standards (UNSMS) and industry best practices.

WIPO Headquarters security relies on a wide range of equipment and systems, which are required to be fully functional 24/7, 365 days a year. Following years of continuous service, certain equipment at or nearing the end of their lifecycle require replacement due to: (i) end of warranty support; (ii) lack of maintenance replacement parts; (iii) the increased likelihood of failure; and (iv) user safety concerns.

This project aims to: (i) replace and upgrade certain critical WIPO Headquarters physical security infrastructure, whose failure would otherwise seriously affect security capabilities and increase WIPO's risk exposure; and (ii) reconfigure and implement a functional vehicle access control system to increase both user safety and overall WIPO building security.



Objectives

The objectives of the project are to:

- enhance organizational crisis management capacities in the event of an external threat at WIPO Headquarters; and
- strengthen WIPO Headquarters security capabilities and functionalities to efficiently monitor, manage and respond to external threats.

Expected Benefits

The expected benefits of the project are the following:

- continued suitability and integrity of WIPO's security management infrastructure over the long term;
- maintain compliance with UNSMS regulations and with Country or WIPO Headquarters Security Risk Assessments (SRAs) mitigation recommendations; and
- continued and recurring support for the ISO 27001 certification²⁰ for the Hague, PCT and Madrid Registries, and the AMC.

²⁰ ISO27001 Information Security Management – this standard includes physical security for the secure IT areas.

Deliverables and Budget

The expected deliverables and the associated budget (2020/21) are shown in the table below.

Deliverables	Budget <i>(in Swiss francs)</i>
Replacement and installation of Intercoms (NB Building)	61,000
Replacement and installation of an X-Ray Machine (CAM Building)	30,000
Replacement and installation of CCTV cameras* (PCT, AB and GB Buildings)	212,000
Replacement and installation of new technology screen wall monitors in the Security Operations Centre (SOC)	120,000
System design reconfiguration, implementation, testing and operationalization of the Vehicle Access Control system	100,000
Sub-total	523,000
Project management	78,500
Total	601,500

In order to smooth out the cost of replacement and disruption to operations, 50% of the CCTV cameras will be replaced in 2020/21 and the remaining 50% will be replaced in 2022/23, subject to the approval of a new CMP, unless cameras fail prior to planned replacement.

Estimated Recurring Operational Costs

The recurring costs of maintenance and operational support are estimated at 39,000 Swiss francs per year.

The lifetime of the equipment installed is estimated at 5 to 10 years, excluding the X-ray machine for which a longer lifecycle is expected.

UPGRADE OF CRITICAL SCS SECURITY ICT SYSTEMS

Business Case

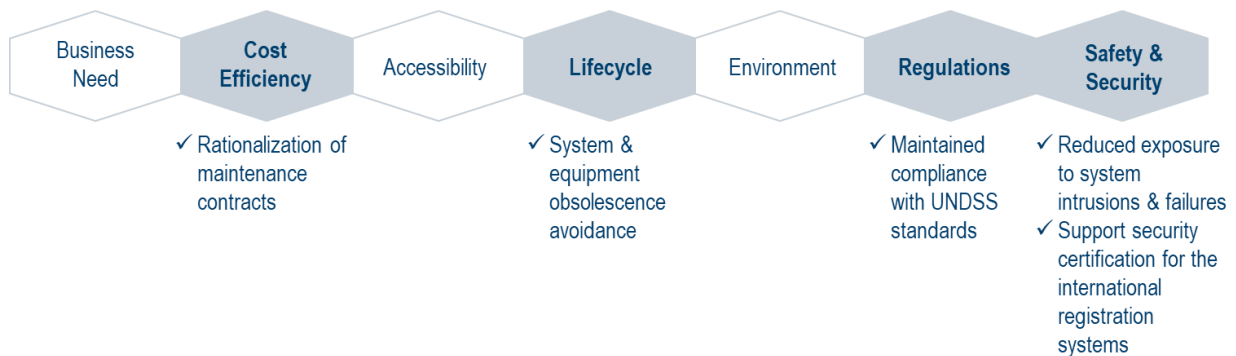
All electronic security apparatus at WIPO relies on a suite of IT equipment, which is required to be fully functional 24/7, 365 days a year. These IT systems are managed through a proprietary, closed-loop local area network (LAN) which ensures the efficient processing, storage, retrieval and integrity of the data.

Following five to six years of continuous service and to maintain capacity and functionality, certain IT equipment require replacement and upgrading to new standards due to: (i) end of warranty support; (ii) end of IT security support from the supplier; (iii) increased likelihood of failure; and (iv) increased risk of vulnerabilities being exploited.

Failure of this equipment would severely hamper WIPO's ability to manage Headquarter security and respond efficiently and effectively to safety and security events. A further serious implication is that data stored within the LAN is potentially compromised in the event of a malicious attack.

This project involves the replacement of several critical hardware elements of the WIPO security ICT infrastructure and the migration of applications from an old and nearing end-of-life physical server architecture to a new Virtual Machine (VM) architecture, thereby rationalizing maintenance contracts and delivering both capital and operational cost efficiencies.

The project also addresses and implements recent audit and assessment recommendations for better ICT network management, relating to the continuity of operations, maintenance management and IT security upgrades.



Objectives

The objectives of the project are to:

- improve the delivery of WIPO Headquarters security risk mitigation services allowing WIPO to comply with applicable standards, legislation and risk treatment measures;
- improve the efficiency of ICT security network management; and
- enhance the existing Headquarters monitoring capacities.

Expected Benefits

The expected benefits of the project are the following:

- maintained compliance with United Nations Department of Safety and Security (UNDSS) in terms of security management;
- maintained compliance with Country or WIPO Headquarters Security Risk Assessments (SRAs) mitigation recommendations;
- continued support of ISO27001 Information Security Management certification for PCT, the Hague and Madrid Registries, and the AMC;
- reduced operating costs with the migration to the VM environment;
- reduced risks of intrusion; and
- reduced likelihood of system failure, and failure of SSCS IT infrastructure.

Deliverables and Budget

The expected deliverables and the associated budget (2020/21) are shown in the table below.

Deliverables	Budget <i>(in Swiss francs)</i>
Replacement, installation, configuration and testing of switches (PCT, AB and NB Buildings)	200,000
Replacement, installation, configuration and testing of CCTV/Video data storage servers	100,000
Design the IT architecture, build, migrate and system testing the Virtual Machine environment	100,000
Sub-total	400,000
Project management	47,250
Total	447,250

In order to smooth out the cost of replacement and disruption to operations, 66% of the switches will be replaced in 2020/21 and the remaining 34% will be replaced in 2022/23, subject to the approval of a new CMP, unless switches fail prior to planned replacement.

Estimated Recurring Operational Costs

The recurring costs of maintenance, operational support and extended warranty are estimated at 60,000 Swiss francs per year.

The lifetime of the IT equipment is estimated at five to six years.

[Annex II follows]

ANNEX II: CAPITAL MASTER PLAN FOR PREMISES, SAFETY AND SECURITY FOR THE PERIOD 2020-2029

(in Swiss francs)

Sector	Area	Drivers				Expected Benefit	Buildings	Description of Works	2020-21	2022-23	2024-25	2026-27	2028-29	Total 10 years	Additional Information	
		Business Need	Cost-efficiency	Accessibility	Life cycle											
Constructions / Acquisitions	Multi-Media Studio (Finalization)	X				Enhanced capability to produce internal/external videos	AB	Creation of multimedia studio	660,000					660,000	The total budget of the Multi-Media studio was originally estimated at 1.7 million Swiss francs. Following the in-depth studies performed by the architects and original quotes for the audio-visual equipment, an additional 660,000 Swiss francs is estimated to be required for the finalization of the studio.	
	Additional Office Space	X				Increase office space/capacity to meet long-term needs of the Organization		Acquisition of additional office space		x						
	Crèche	X				Improved staff welfare and benefits		Creche: long-term solution under study			x					
Renovations of the WIPO Campus	Facade / Walls / Fenestrations / Roof	X	X	X		Fit-for-purpose AB Building	AB	Renovate Building envelope		5,000,000	10,000,000	10,000,000		25,000,000	AB built in 1976. Works include windows replacement, insulation improvement, HVAC system renovation, etc.	
		X	X	X		Fit-for-purpose GB Building	GB	Renovate GBI and II Buildings envelope				10,000,000	10,000,000	20,000,000	GBI renovated in 1988, GBII built in 1996.	
		X	X	X		Improved insulation of roofs	AB, GB	Create green-roof spaces		x ^{AB}			x ^{GB}	-	To be included in the renovation of AB and GB buildings.	
		X	X	X		Review insulation of roofs	AB, GB	Review insulation of roofs		x ^{AB}			x ^{GB}	-	To be included in the renovation of AB and GB buildings.	
	Parking		X	X		Fit-for-purpose parking and improved accessibility	AB	Renovate parking floors			x			-	For AB, to be included in the renovation works.	
	Outdoor Space			X		Functional and enhanced outdoor spaces	AB	Works to improve parks, terrace and fountain		x				-	For AB, to be included in the renovation works.	
	Specific-purpose Areas	X	X	X		Functional and modernized conference rooms	AB (A and B)	Renovate A and B conference rooms (including sound)		x				-	For AB, to be included in the renovation works.	
	Offices	X				Enhanced reception area for official hospitality	AB	Create 13th floor restaurant		x				-		
Systems / Mechanical Installations	Water Supply Network	X	X	X		Functional and reliable water network	AB	Renovate installations of drinking water network		1,950,000				1,950,000	Includes renovation of pipes due to leakage risks and technical room AB-3. Might be advanced by one-year.	
			X	X		Reduced water consumption	All	Increase rain water usage		x				-		
			X	X	X			All	Adapt water-saving devices and fountain plumbing		x				-	Water-saving mechanism and fountains connection to city network.
	Electricity and Energy Systems	X	X	X	X	Power outage mitigation	AB, GB	Update stand-by power system Phase II	1,750,000					1,750,000	Installation of a larger generator for AB (Phase I in 2018-19) and a new generator for GB I and GB II (Phase II 2020-21) and all required new installations from roof to basement of GB I.	
		X	X	X	X			NB, PCT	Replace generators					1,500,000	1,500,000	
	Fire and Gas Safety			X	X	Improved usage of renewable energies	All	Install solar panels		x				-		
				X	X	X	Compliance w/ Swiss reg. (prevention and detection)	AB, GB	Update fire and gas detection system	325,000					325,000	
				X	X	X		AB	Install fire doors and fire walls			330,000			330,000	
				X	X	X		AB, GB, PCT	Install smoke extractor systems	x	x		x		-	
	Security Equipment and Systems			X	X	X	Compliance w/ Swiss reg. (evacuation)	AB, GB,	Doors: conformity and new exits			66,000			66,000	
				X	X	X		AB, GB	Alarm: system upgrading			440,000			440,000	
				X	X	X		AB, PCT	Emergency lighting system			330,000			330,000	
						X	Better protection of the accesses to WIPO Buildings	AB	Improve terrace security			x			-	
				X	X	X	Renewal of Critical Physical Security Systems Hardware	All	Install physical security infrastructure and implement vehicle access control system	601,500	243,500				845,000	
				X	X	X	Upgrade of Critical SSCS Security ICT Systems	All	Replace SSCS LAN network, switches, video data storage and migrate applications to VM	447,250	115,000				562,250	
Elevators					X	Better Prevention against Intrusions	All	Reinforce doors			55,000			55,000		
					X	Implementation of Strong Authentication System		Implementation of Strong Authentication System			778,120			778,120		
		X	X	X		Functional Elevators	AB, GB	Modernize motorization systems	1,420,000					1,420,000	Replacement of motorization system for one elevator in AB (Phase I) and replacement of system for 4 elevators in AB and two new elevators and systems in GB I (Phase II).	
Totals									5,203,750	9,307,620	10,000,000	20,000,000	11,500,000	56,011,370		

x^{AB} : amount to be included in the AB renovation budget , x^{GB} : amount to be included in the GB renovation budget , x : unknown amount