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September 23, 2013

ADDITIONAL INFORMATION REQUESTED BY MEMBER STATES RELATED TO THE SEVEN CAPITAL MASTER PLAN PROJECTS RECOMMENDED BY THE PROGRAM AND BUDGET COMMITTEE (PBC) FOR FUNDING FROM THE ORGANIZATION'S RESERVES

This document contains information requested by the Program and Budget Committee (PBC) at its 21st session held in Geneva, from September 9 to 13, 2013, as follows:

A. Summary table, providing an overview of the estimated depreciation and capitalization of relevant expenditure for each of the seven projects recommended for funding from the Reserves;

B. Information on the savings/benefits expected to be realized for each of the seven projects recommended for funding from the Reserves; and

C. A summary table providing an overview of the evolution of WIPO's Reserves from 2003 to 2012.

A. Estimated depreciation and capitalization of relevant expenditure for each of the seven projects recommended for funding from the Reserves

PROJECTS FINANCED FROM RESERVES
(in thousands of Swiss francs)

	2014	2015	2016	2017	2018	2019	TOTAL
1. Security enhancement: data encryption and user management							
Total requested funding	**150**	**350**	**200**	**-**	**-**	**-**	**700**
Estimated IPSAS capitalization	100	150	40	-	-	-	290
Future amortization/depreciation *(Gradual 5 year amortization starting 2015)*	-	(20)	(50)	(58)	(58)	(58)	(244)
2. Enterprise Content Management (ECM) Implementation							
Total requested funding	**1,000**	**874**	**194**	**-**	**-**	**-**	**2,068**
Estimated IPSAS capitalization	320	194	94	-	-	-	608
Future amortization/depreciation *(5 year amortization starting 2017)*	-	-	-	(122)	(122)	(122)	(365)
3. Renovation of the facades and cooling/heating installation of the PCT building							
Total requested funding	**1,000**	**3,000**	**2,000**	**-**	**-**	**-**	**6,000**
Estimated IPSAS capitalization	1,000	3,000	2,000	-	-	-	6,000
Future amortization/depreciation *(50 year depreciation starting 2017)*	-	-	-	(120)	(120)	(120)	(360)
4. Deployment of Geneva Lake water ("GLN") cooling system to AB and PCT Buildings							
Total requested funding	**200**	**550**	**-**	**-**	**-**	**-**	**750**
Estimated IPSAS capitalization	200	550	-	-	-	-	750
Future amortization/depreciation *(30 year depreciation starting 2016)*	-	-	(25)	(25)	(25)	(25)	(100)
5. Arpad Bogsch Building – phase 1 of basement renovation (resizing of data center and renovation of the printshop)							
Total requested funding	**460**	**500**	**-**	**-**	**-**	**-**	**960**
Estimated IPSAS capitalization	460	500	-	-	-	-	960
Future amortization/depreciation *(Average 50 year depreciation starting 2016)*	-	-	(19)	(19)	(19)	(19)	(77)
6. Arpad Bogsch Building – replacement of certain windows							
Total requested funding	**300**	**-**	**-**	**-**	**-**	**-**	**300**
Estimated IPSAS capitalization	300	-	-	-	-	-	300
Future amortization/depreciation *(50 year depreciation starting 2016)*	-	(6)	(6)	(6)	(6)	(6)	(30)
7. Safety and Fire Protection Measures							
Total requested funding	**100**	**100**	**100**	**100**	**-**	**-**	**400**
Estimated IPSAS capitalization	100	100	100	100	-	-	400
Future amortization/depreciation *(50 year depreciation from 2015)*	-	(2)	(4)	(6)	(8)	(8)	(28)

1. Forecast depreciation and amortization rates are based on those currently applied to existing assets and asset components of a similar nature.

2. For buildings related projects, miscellaneous/unforeseen expenditure has been included in capitalized amounts on the assumption that this would also relate to expenditure of a capital nature.

3. Certain projects involve the replacement of existing assets. This would lead to the write-down of existing assets in the WIPO financial statements. This is applicable principally to projects 3 (PCT - renovation facades, cooling/heating installation) and 6 (AB - replacement of windows). It is not possible at this stage to quantify the expected write-down of existing assets under these projects.

B. Information on the savings/benefits expected to be realized for each of the seven projects recommended for funding from the Reserves.

1. Project: Security enhancement: data encryption and user management

Financial resources required for project implementation by year

Items	Budget Costs *in thousands of Swiss francs* 2014	2015	2016	2017	2018	2019	TOTAL
1. License, license maintenance	35	130	130				295
2. Encryption appliance, hardware	65	150	40				255
3. Consulting	30	20	10				60
4. Project Management	20	50	20				90
Total requested for funding	150	350	200	-	-	-	700
Operating/recurring costs, to be included in respective biennial regular budgets			*250*	*450*	*410*	*360*	*1,470*

Foreseen Benefits

Benefits Analysis Table

Category	Benefit
Financial	The project will enable more flexibility in choosing cost-effective service providers by keeping the encryption under tight control of WIPO, while enabling service providers to perform their support function. It will also allow WIPO to manage a large number of global user accounts efficiently without the increase of support staff.
User	Use of access rights management and data encryption will increase user satisfaction and security of our registration systems through enabling more timely self-service, such as password reset, while protecting confidential and business sensitive information.
Processes	More efficient user management processes and information security best practices can be implemented.
Learning and innovation	Staff will have the opportunity to learn and manage leading edge technologies and best practices while providing better and more efficient services to users without the increase of personnel resources.

2. Project: Enterprise Content Management (ECM) Implementation

Financial resources required for project implementation by year

Items	Budget Costs *in thousands of Swiss francs* 2014	2015	2016	2017	2018	2019	TOTAL
1. Hosting							
UNICC Hosting	470	470					940
2. Ongoing Support							
Additional Resource	210	210	100				520
3. Implementation Costs							
ERP Integration	220	94	94				408
4. Introduction of content management technology	100						100
5. Electronic routing of incoming and internal documents and integration with electronic records and archives		70					70
6. Utilization of ECM for email filing and archive		30					30
Total requested for funding	1,000	874	194	-	-	-	2,068
Operating/recurring costs, to be included in respective biennial regular budgets	*76*	*94*	*575*	*585*	*585*	*585*	*2,500*

Foreseen Benefits

Benefits Analysis Table

Category	Benefit
Financial	Common single repository for documents, resulting in less duplication and less electronic storage.
	Productivity improvements, with less staff time (cost) wasted searching for information contained in documents.
	Less physical storage space needed (filing cabinets / rooms) to store hard-copies of documents and reduces on-site paper storage needs and physical handling between locations.
	Improved mission planning, sharing of mission reports and obtaining more value from missions, thus helping to meet IAOD's recommendations.
User	Flexible and more efficient user facing administrative services (allowing information to be pulled, rather than relying on WIPO always pushing it out).
Staff	Allows staff to collaborate / share documents, access up-to-date information, encourages transparency and promotes "Working as One".
Processes	Improved and unified business processes, with enhanced automation opportunities.
Learning and innovation	Easier access to information, promoting learning and establishing a foundation for knowledge management.
Technical	Provision of a more resilient systems environment, where documents are accessible outside of the transaction system, helping to enable improvements being delivered by the ERP.
	Provides potential for mobile / remote access to documents, to ensure processes continue / information shared, even whilst individual is away from the office.
Compliance	Contributes to bringing the compliance level of older buildings in terms of safety and security (i.e. equipment location and storage of supplies in line with clear corridor policy) to compliance levels already in place for the New Building. Contributes to increased compliance with Swiss and Cantonal requirements.
Environmental	Helps to reduce paper usage and waste, improving WIPO's carbon footprint.

3. Project: Renovation of the facades and cooling/heating installation of the PCT Building

Financial resources required for project implementation by year

Items	Budget Costs *in thousands of Swiss francs* 2014	2015	2016	2017	2018	2019	TOTAL
1. Construction-related costs							
Construction-related costs	450	1,929	1,190				3,569
2. Honoraria							
Project Pilot	21	62	41				124
WIPO-mandated engineers	150	450	300				900
3. External and internal resources							
Additional external resource at 100%	144	144	144				432
Internal Backfill at 100%	145	145	145				435
4. Fees (Permits / taxes / documents)							
Fees	20	60	40				120
5. Miscellaneous and Unforeseen	70	210	140				420
Total requested for funding	1,000	3,000	2,000	-	-	-	6,000
Operating/recurring costs, to be included in respective biennial regular budgets							

Foreseen Benefits

Benefits Analysis Table

Category	Benefit
Financial	Reduced cost of energy required in order to maintain adequate temperature levels for a large office building without having to overheat or overcool the building depending on the daily weather conditions (estimated amount of cost reduction not available yet).
	Reduced staff time and/or reduced cost of time spent by external maintenance company, for *ad hoc* technical interventions throughout the building depending on daily weather conditions (estimated amount of cost reduction not available yet).
	Increasing the asset value of the construction elements concerned by restarting the expected lifetime of the facades (50 years) and installations (30 years).
	Cost avoidance by undertaking a complete technical infrastructure renovation in a properly planned manner instead of being forced to do so by the continued breakdowns and unavailability of spare parts for the existing heating and cooling installation (estimated amount of cost avoidance not available).
Staff	Better and more comfortable working environment.
	No need to disrupt normal business workflow due to *ad hoc* interventions caused by technical breakdowns.
Processes	Switching from corrective technical maintenance and *ad hoc* interventions to standard preventive and periodical technical maintenance.
Technical	Bringing the technical performance level of the cooling and heating installation in line with modern construction standards (fully operational, reliable and predictable) by replacing the current inefficient and obsolete installation.
	Bringing the technical thermic performance level of the facades in line with modern construction standards by addressing a number of defective structural elements.
Environmental	Reduced waste of energy consumption (currently needed to produce excessively high or low temperature levels to compensate for the inefficient and unreliable installation).

4. Project: Deployment of Geneva Lake Water ("GLN") cooling system to AB and PCT Buildings

Financial resources required for project implementation by year

	Budget Costs *in thousands of Swiss francs*						
Items	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**TOTAL**
1. Construction-related costs							
Construction-related costs	156	429					585
2. Honoraria							
WIPO-mandated engineers	30	83					113
3. Miscellaneous and Unforeseen	14	39					53
Total requested for funding	200	550	-	-	-	-	750
Operating/recurring costs, to be included in respective biennial regular budgets							

Foreseen Benefits

Benefits Analysis Table

Category	Benefit
Financial	Reduced maintenance cost of technical installations by relying on external provision of cool water rather than producing cool water through in-house traditional cooling machinery (estimated amount of cost reduction not available yet).
	Avoidance of inherent cost due to the need to run different cooling systems according to respective age of buildings (estimated amount of cost reduction not available yet).
Processes	Simplified technical maintenance protocol for cooling installation in each of the two buildings (AB and PCT) concerned by this implementation.
	Overall simplified technical maintenance protocol as cooling installations for all buildings on campus will eventually be functioning according to a single type of system (four buildings already covered by the end of 2013).
Technical	Opportunity and feasibility to implement upgrading of critical installations (i.e., cooling system) in older buildings.
	Opportunity to run cooling installations in all buildings according to a single and simple system relying less on traditional machinery.
Environmental	More environmentally-friendly installation using a renewable energy source (the lake water) compared to traditional cooling machinery (using electricity).
	Participation in a Host Country-driven environmentally friendly energy consumption solution via the Cantonal energy provider.

5. Project: Arpad Bogsch Building — phase 1 of basement renovation (resizing of data center and renovation of printshop)

Financial resources required for project implementation by year

Items	Budget Costs *in thousands of Swiss francs* 2014	2015	2016	2017	2018	2019	TOTAL
1. Construction-related costs							
Construction-related costs	359	390					749
2. Honoraria							
WIPO-mandated engineers	69	75					144
3. Miscellaneous and Unforeseen	32	35					67
Total requested for funding	460	500	-	-	-	-	960
Operating/recurring costs, to be included in respective biennial regular budgets							

Foreseen Benefits

Benefits Analysis Table

Category	Benefit
Financial	Reduced cost of energy consumption required for facilities and installations commensurate in size and technical infrastructure with the updated business purposes (estimated amount of cost reduction not available yet).
	Re-initializing the asset value of the technical infrastructure installations concerned by starting their new expected lifetime.
	Cost avoidance by undertaking a complete technical infrastructure renovation in a properly planned manner instead of being forced to do so by a major breakdown which could happen anytime since the existing installations are already 5 years beyond their expected lifetime of 30 years (estimated amount of cost avoidance not available).
Staff	Better and more comfortable working environment for staff in the areas concerned.
Processes	Integrating the spaces concerned in the same standard preventive and periodical technical maintenance already in place for the remainder of the floor.
	Providing to other organizational units a working environment allowing them to streamline and simplify their servicing of expanded conference and meeting facilities.
Technical	Opportunity to bring infrastructure and technical installations in line with new technological solutions.
	Opportunity to size, allocate and ensure technical maintenance of spaces in a strategically located area, commensurate with the updated business purposes.
Compliance	Bringing the safety and security compliance level in the areas concerned in line with the business standards applied to other similar areas in other buildings.
Environmental	Reduced waste in energy consumption currently caused by having to run outdated installations.

6. Project: Arpad Bogsch Building — replacement of certain windows

Financial resources required for project implementation by year

Items	Budget Costs *in thousands of Swiss francs* 2014	2015	2016	2017	2018	2019	TOTAL
1. Construction-related costs							
Construction-related costs	234						234
2. Honoraria							
WIPO-mandated engineers	45						45
3. Miscellaneous and Unforeseen	21						21
Total requested for funding	300	-	-	-	-	-	300
Operating/recurring costs, to be included in respective biennial regular budgets							

Foreseen Benefits

Benefits Analysis Table

Category	Benefit
Financial	Reduced cost of energy required to heat the particular office spaces in the building concerned in the winter, and to cool them in the summer (estimated amount of cost reduction not available yet).
	Reduced staff time and/or reduced cost of time spent by external maintenance company, for *ad hoc* technical interventions for the series of offices located on the particular edge of the building, depending on daily weather conditions (estimated amount of cost reduction not available yet).
Staff	Better and more comfortable working environment.
Processes	Simplified technical maintenance protocol by decreasing the need to take specific intervention measures only for those offices in the building.
Technical	Less strain placed on cooling and heating system to compensate for current windows deficiencies and to cater for a small proportion of offices in the building concerned.
Environmental	Reduced waste of energy consumption (currently needed to produce heating or cooling depending on the weather conditions).

7. Project: Safety and Fire Protection Measures

Financial resources required for project implementation by year

Items	Budget Costs *in thousands of Swiss francs* 2014	2015	2016	2017	2018	2019	TOTAL
1. Construction-related costs							
Construction-related costs	78	78	78	78			312
2. Honoraria							
WIPO-mandated engineers	15	15	15	15			60
3. Miscellaneous and Unforeseen	7	7	7	7			28
Total requested for funding	100	100	100	100	-	-	400
Operating/recurring costs, to be included in respective biennial regular budgets							

Foreseen Benefits

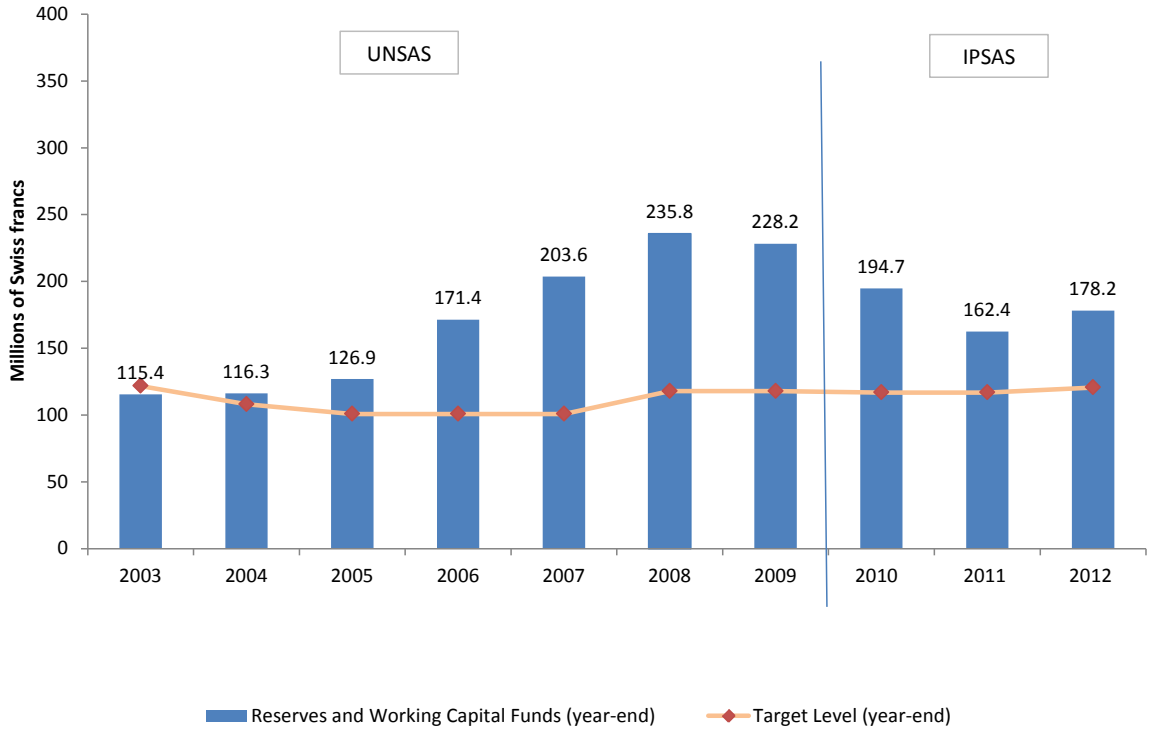
Benefits Analysis Table

Category	Benefit
Financial	Indirect potential benefit: potential for reduced costs of damage to premises and/or internal assets, thanks to the reduced spread of potential incidents (e.g., fire, smoke).
	Indirect potential benefit: potential for reduced costs of repair, replacement and cleaning.
	Indirect potential benefit: potential for reduced costs of staff time being otherwise "lost" in case of evacuation of one or more buildings.
	Indirect potential benefit: as a result of reduced risks of fire or smoke spreading from one area to another, potential reduction of the "buildings/goods" insurance premium.
User	Enhanced protection of data relating to applications filed under registration systems.
Staff	Creating a safer working environment.
	In case of incident (e.g., fire, smoke), enhanced safety and welfare for staff and other persons (delegates and visitors, as well as employees of contractors and service providers on-site) working in the buildings.
Processes	In case of incident, effective technical procedures and modern infrastructure to enhance evacuation procedures and coordination of response to emergencies.
Technical	Implementation of relatively simple and economical technical (infrastructure) measures
	Better protection and physical separation for critical installations in various buildings.
Compliance	In terms of employees and facilities safety and fire protection, bringing the compliance level of older buildings in terms of physical compartmentalization (building partitioning) to compliance levels already in place for the New Building and presently being implemented in the future New Conference Hall (under construction).
	Due diligence on behalf of the Organization.
	Compliance with legal requirements (including civil regulations) articulated in various statutes by either the Canton of Geneva or the Swiss Confederation.
Institutional	Protecting sensitive information/processes and optimizing the Organization's ability to quickly recover from such an incident.

C. A summary table providing an overview of the evolution of WIPO's Reserves from 2003 to 2012

Reserves and Working Capital Funds, 1998-2012
(in millions of Swiss francs)

	UNSAS							***IPSAS***		
	2003	***2004***	***2005***	***2006***	***2007***	***2008***	***2009***	***2010***	***2011***	***2012***
Reserves and Working Capital Funds (year-end)	**115.4**	**116.3**	**126.9**	**171.4**	**203.6**	**235.8**	**228.2**	**194.7**	**162.4**	**178.2**
Target Level (year-end)	121.7	108.1	100.8	100.8	100.8	117.9	117.9	116.8	116.8	120.6



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