

Program and Budget Committee

**Eighteenth Session
Geneva, September 12 to 16, 2011**

WIPO'S CAPITAL PLANNING AND MANAGEMENT FRAMEWORK

Document prepared by the Secretariat

1. This document provides an overview of the framework within which WIPO's capital expenditures and investments are planned, implemented, monitored, assessed and reported on.
2. For this purpose, capital expenditures and investments are defined as the purchase of fixed assets, or the costs of major renovations or upgrades of assets, such as buildings, equipment, vehicles or larger information technology projects, which are implemented with the aim of enhancing the efficiency of the administrative and financial support structure to enable WIPO to deliver its programs (Strategic Goal IX) beyond a single financial period.

3. *The Program and Budget Committee is invited to take note of the contents of the present document.*

[Information on WIPO's Capital Planning and Management Framework follows]

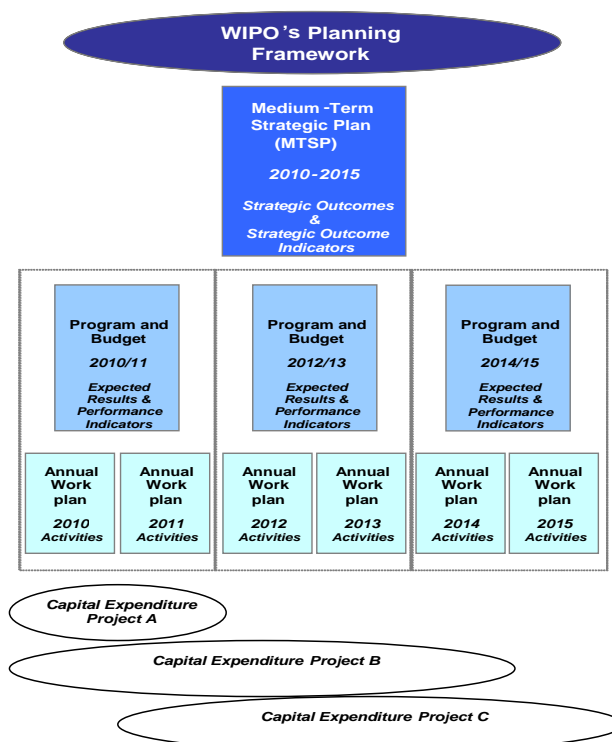
INFORMATION ON WIPO'S CAPITAL PLANNING AND MANAGEMENT FRAMEWORK

INTRODUCTION

1. WIPO's activities are planned and implemented within its results based management framework, which establishes (i) the Organization's longer term Strategic Goals; (ii) expected results, performance indicators, baselines and targets (Program and Budget) and the strategies to achieve these; (iii) the allocation of resources (Program and Budget); (iv) activities which contribute to the achievement of results (Workplans); (v) the mechanism for managing organizational performance (monitoring and performance assessment system); and (vi) the tools for reporting on organizational performance (Program Performance Report).

2. The Program and Budget of the Organization provides a biennial resource framework for all WIPO's programs, projects and activities. Projects implemented in respect of capital expenditures/investments frequently extend beyond single year and even single biennium implementations, and can be funded either via successive biennial budgets, or can be proposed for funding from the Organization's Reserves, subject to compliance with the principles and approval mechanism set out for the utilization of the Reserves by Member States¹

Diagram 1: WIPO's Results Based Management (RBM) Framework

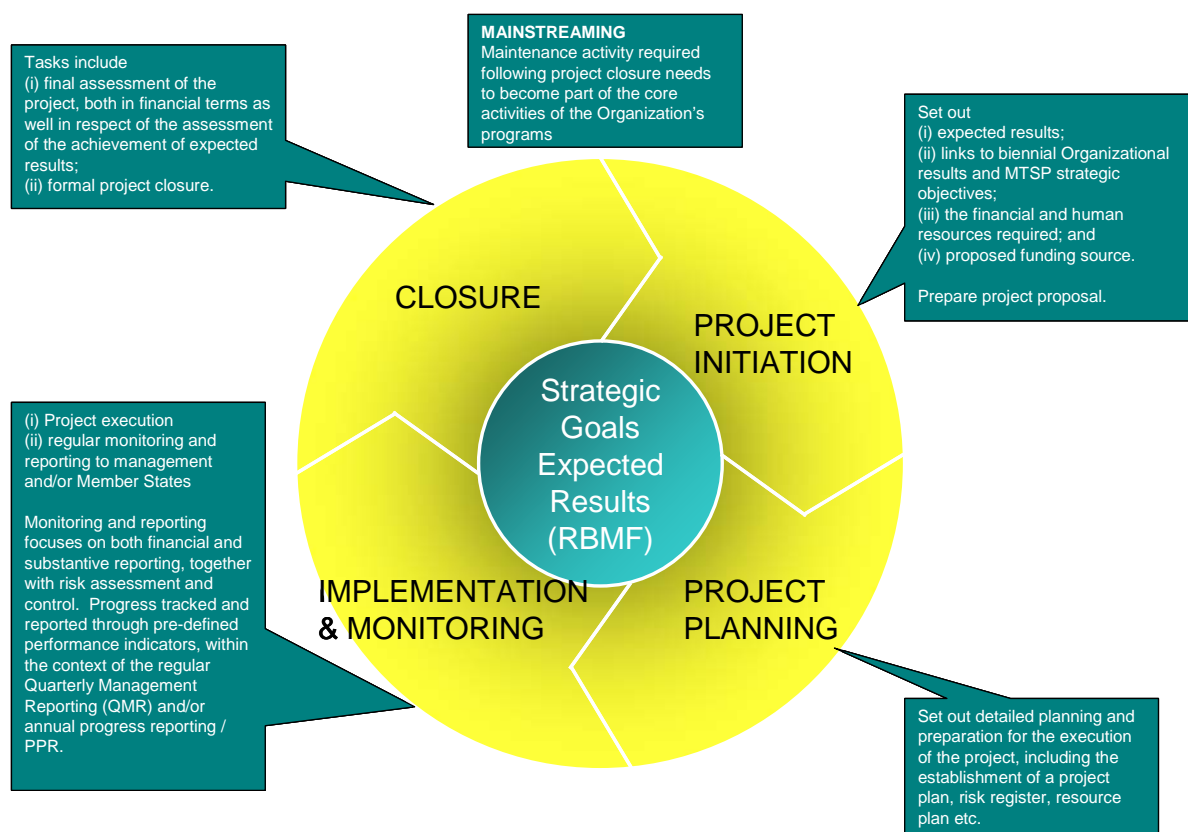


¹ See also WO/PBC/15/7Rev.

THE CAPITAL EXPENDITURE PROJECT CYCLE

3. WIPO's capital expenditure projects are implemented within the framework of a project management methodology such as PRINCE2 (PROjects IN CONTROLLED ENVIRONMENTs), which puts in place the structures and required controls for best practice implementation. All Projects move through the following phases, as also illustrated in Diagram 2 below.

Diagram 2: WIPO's Capital Expenditure Project Cycle



4. The list is meant to be illustrative rather than exhaustive, as the specific needs and complexity levels of different projects have to be addressed at each stage. Of key importance, however, is the requirement to ensure full integration of all project implementation with the overall results framework of the Organization.

(a) **Project Initiation** – this stage addresses the drawing up of a proposal within the RBM framework, highlighting (i) the expected results of the project; (ii) the links to specific biennial Organizational results (Program and Budget) and MTSP strategic objectives, as appropriate; (iii) the financial and human resources required for implementation; together with (iv) an indication of the proposed funding source. Depending on source of funds (regular budget or reserves), the project proposal is formalized and presented for approval to the relevant internal or external body.

(b) **Project Planning** – this stage addresses the detailed planning and preparation for the execution of the project, including the establishment of a project plan, risk register, resource plan etc.

(c) **Implementation and Monitoring** – this stage addresses the implementation of the project, alongside regular monitoring and reporting to management and/or Member States, as appropriate. Monitoring and reporting activity focuses on both financial and substantive reporting, together with risk assessment and control. Progress in the achievement of expected results is tracked and reported through

pre-defined performance indicators, within the context of the regular Quarterly Management Reporting (QMR) and/or annual progress reporting for reserve-funded projects or via the Program Performance Reports for regular budget funded projects as appropriate. For complex projects which are implemented in a series of successive phases, the completion of each phase may require assessment and a decision on whether to proceed to the next phase. If the decision is to proceed to the next phase, then the project remains in the implementation and monitoring mode, while a decision not to proceed will mean that project closure has to be initiated.

(d) **Project Closure** – this stage represents (i) a final assessment of the project, once completed, both in financial terms as well as in respect of the assessment of the achievement of expected results; (ii) formal project closure (project resources released, and a closure report prepared).

(e) **Mainstreaming** – this stage represents the incorporation of any regular maintenance activity required following project closure, which needs to become part of the core activities of the Organization's programs.

MAINSTREAMING CAPITAL EXPENDITURE MAINTENANCE FOLLOWING PROJECT CLOSURE

5. Following project closure, the maintenance tasks, including a regular schedule of reviews, embedded in the expected results and performance indicators of the responsible program(s) need to be established, and thereby mainstreaming all the required maintenance work into the regular activities of the Organization. This is done within the context of the Organization's results based management framework, *i.e.* as part of the establishment and monitoring of workplans and biennial program and budgets. Reporting takes place to management within the context of regular quarterly reporting (QMR), and to Member States as part of the regular reporting mechanisms on the implementation of the biennial Program and Budget.

[End of document]