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**WORLD INTELLECTUAL PROPERTY ORGANIZATION**  
GENEVA

## **BUDGET COMMITTEE**

**Nineteenth Session**  
**Geneva, June 4 and 5, 1998**

## **PREMISES COMMITTEE**

**Ninth Session**  
**Geneva, June 4 and 5, 1998**

### **REPORT**

*adopted by the two Committees*

1. The nineteenth session of the WIPO Budget Committee and the ninth session of the WIPO Premises Committee, hereinafter referred to as “the two Committees,” were held jointly at the Headquarters of WIPO on June 4 and 5, 1998.

2. The members of the Budget Committee are the following States: Bulgaria, Canada, Chile, China, Ecuador, Egypt, France, Germany, Hungary, India, Jamaica, Japan, Mexico, Morocco, Netherlands, Norway, Pakistan, Philippines, Republic of Korea, Russian Federation, Senegal, Slovakia, South Africa, Switzerland (*ex officio*), United Kingdom, United States of America and Uzbekistan (27). The members of the Premises Committee are the following States: Algeria, China, Colombia, Croatia, France, Germany, India, Nigeria, Paraguay, Russian Federation, Sri Lanka, Switzerland and United States of America (13). The States members of the Budget Committee, of the Premises Committee or of the two Committees

which were represented at the session were the following: Algeria, Bulgaria, Canada, Chile, China, Croatia, Ecuador, Egypt, France, Germany, Hungary, India, Jamaica, Japan, Morocco, Mexico, Nigeria, Norway, Netherlands, Philippines, Republic of Korea, Russian Federation, Senegal, Slovakia, South Africa, Sri Lanka, Switzerland, United Kingdom, United States of America (29). In addition, the following States members of WIPO but not members of the Budget Committee or the Premises Committee were represented by observers: Argentina, Bangladesh, Bhutan, Brazil, Burundi, Côte d'Ivoire, Gabon, Ghana, Indonesia, Italy, Kenya, Madagascar and Sudan (13). The list of participants is contained in Annex 1 of this report.

3. Discussions were based on documents WO/BC/19/2-WO/PC/9/2 (“Questions on Premises Raised by Certain Member States and Answers Prepared by the Secretariat”), WO/BC/19/3-WO/PC/9/3 (“Acquisition of the ‘Steiner Lot’ or the Procter & Gamble Building”), and WO/BC/19/4-WO/PC/9/4 (“Summary of Specific Premises-Related Issues”).

4. The Chairman of the joint session of the Budget and Premises Committees, Mr. Shigeki Sumi (Japan), opened the meeting and recalled that the current meeting had been requested by the WIPO General Assembly at its last meeting in March in order for the two Committees to take a decision on the purchase of the Steiner lot or the Procter & Gamble Building.

5. Before adopting the agenda, the Delegation of Chile underlined that it wished to ask some questions with a view to achieving clarity and transparency in organizational and procedural matters. The three questions were the following: first, why didn't the draft Agenda include an item entitled “Election of a Chairman and two Vice-Chairmen”; second, what rules of procedure are applied to the Budget and Premises Committees, and third, do the rules enable one to elect the outgoing Chairman and Vice-Chairmen for the period immediately after the closure of their functions. The Delegation of Chile asked these three questions of the International Bureau because, in the last three years, all agendas had included an item “Election of the Chairman and two Vice-Chairmen,” except in 1996, when there was an express decision in the two Committees.

6. In response to the questions raised by the Delegation of Chile, the Director General emphasized that the spirit of transparency would always continue in this Organization. The only difference between this session and earlier sessions of the Budget and Premises Committees was that it was considered that, between the previous session of the two Committees and this session, there was still unfinished business. This was the justification why the same Chairperson and two Vice-Chairpersons were continued, because it was felt that the present session of the two Committees was a continuation of the earlier session held a couple of months ago. Otherwise the argument of the Delegation of Chile was perfectly valid, and if we applied strictly the rules and procedures, we should have a new team of a Chairperson and two Vice-Chairpersons. The matter was not an argument on the basis of the rules and procedures, but that it was felt, based on consultations with some of the members of the two Committees, that it would be good for the continuity of the agendas of the sessions to have the same team of people. It was in this spirit that the continuity of the same team would be required, simply because the business in the previous agenda was not yet finished. The Director General emphasized that if the two Committees felt that the International Bureau's interpretation was wrong, the question of whether or not to elect a new Chairperson and two Vice-Chairpersons was of course entirely in the hands of the two Committees.

7. The Delegation of Chile thanked the Director General for the explanation, but said that GRULAC had not been consulted, nor had the Coordinator of GRULAC brought this topic to the group, nor had the Delegation of Chile been consulted on the matter. The Delegation of Chile requested that in the future the International Bureau should follow the rules of procedure strictly, and that there should not be any interpretation of standards as to whether something is appropriate or not because the Member States have to decide that. So if the rules required a particular thing, then the International Bureau had in fact to follow it.

8. The Agenda contained in document WO/BC/19/1-WO/PC/9/1 was adopted.

9. The Director General recalled that the General Assembly in March 1998 authorized him to explore with the owners of the Procter & Gamble Building and the Steiner lot the best price at which these premises might be acquired by WIPO. To fulfill that mandate, and in order for the joint session of the Budget and Premises Committees to take a decision, the Secretariat had had intensive consultations with those two firms, and the results of these consultations were contained in document WO/BC/19/3-WO/PC/9/3. The Director General highlighted that the Steiner firm gave a final, definitive, unconditional offer at a price of 13.5 million Swiss francs for the adjoining lot, which had been reduced from the initial offer of 14.9 million Swiss francs. The valuations of the Steiner lot made by the two banks of WIPO, namely the Swiss Bank Corporation and Crédit Suisse, amounted to 9.9 and 16.5 million Swiss francs, respectively. The Secretariat considered that the unconditional price of 13.5 million Swiss francs offered by the Steiner firm, being in the middle of the range of these valuations, was reasonable. The situation concerning the Procter & Gamble Building remained unchanged, with the selling price remaining at its original amount of 100 million Swiss francs. Valuations made by two independent consultants on that building gave amounts of 62 and 69.4 million Swiss francs, respectively, so there was a considerable distance between those evaluations and the price asked by the Procter & Gamble firm. The Director General noted the Secretariat had been requested by several delegations to provide detailed information and documentation, and there had been extensive consultations with several member States; the material provided is reflected in document WO/BC/19/2-WO/PC/9/2. Document WO/BC/19/4-WO/PC/9/4 summarizes the need for additional working places even once the WMO Building is renovated and extended. The Director General thus proposed that WIPO proceed with the acquisition of the Steiner lot at a price of 13.5 million Swiss francs, to be drawn from the Special Reserve Fund for Additional Premises and Computerization, and that informal consultations be initiated immediately with the Chairperson of the Budget and Premises Committees and the two Vice-Chairpersons, the Chairperson of the General Assembly and the two Vice-Chairpersons, and the Coordinators of the various regional groups, in order to develop concrete proposals on what facilities should be built on the Steiner lot, including, in particular, the question of larger conference facilities and additional parking facilities including parking for delegates.

10. The Delegation of the Netherlands, speaking on behalf of Group B, thanked the International Bureau for the wealth of documentation produced on the subject and the comprehensiveness in the replies to queries raised by a number of delegations. The Delegation said that, according to the information made available to it, the purchase price of 13.5 million Swiss francs for the Steiner lot seemed to be the best price for WIPO, which was also more advantageous than the price for the Procter & Gamble Building. The Delegation reported that, after careful considerations, Group B was ready to join in a consensus on the proposals made in paragraph 8 of document WO/BC/19/3-WO/PC/9/3, authorizing WIPO to purchase the

Steiner lot, and Group B would be pleased to join the subsequent consultations with other Groups and the International Bureau about the next stages to be taken.

11. The Delegation of South Africa, speaking on behalf of the African Group, wished to congratulate the Secretariat for the excellent documents prepared, which clarified most of the concerns raised during the previous session of the two Committees. The African Group had always supported a long-term solution to the question of premises for WIPO and it supported the proposals contained in document WO/BC/19/3-WO/PC/9/3, to authorize WIPO to purchase the Steiner lot, which, in its opinion, was the best option. The Delegation noted the need for the African Group to be involved in the consultations regarding construction on the Steiner lot and the possibility of getting information in time to enable consultations with their capitals as the Missions did not have the expertise to analyze some of the technical details involved in construction.

12. The Delegation of Jamaica, speaking on behalf of the Group of Latin American countries (GRULAC), recalled the decision adopted by the two Committees in March 1998, which requested the Director General to explore with the owners of the Steiner lot and the Procter & Gamble Building the best price at which each might be acquired by WIPO and to report those prices to the June meeting of the two Committees. GRULAC congratulated the Director General and his staff on the preparation of the various documents, especially document WO/BC/19/4-WO/PC/9/4, that provided a summary of the relevant premises-related issues. The Group appreciated the efforts made by the Director General to provide responses to the questions raised by some delegations and noted that these questions appeared to have been responded to in a satisfactory manner. It looked forward to any further clarifications that might emerge from the discussions and hoped that delegations would be able to take a decision on the issue. At the March meeting of the two Committees, GRULAC had indicated its support for the most cost-effective solution to the question of premises. Information regarding such a solution had been provided, and warranted the support of the Group. GRULAC therefore endorsed the proposal contained in paragraph 8 of document WO/BC/19/3-WO/PC/3 concerning the purchase of the Steiner lot. GRULAC was for the most part able to support the proposed follow-up process set out in paragraph 9 of that document. On a related matter, the Group considered it would be useful to have a document indicating the costs of the various studies and the fees for consultants on premises that had been incurred by the Organization, as from March 1996.

13. The Delegation of Croatia, speaking on behalf of the Central European and Baltic States, noted that those States had always been in favor of the solution to the problem of premises that best met the needs of WIPO, especially with respect to future expansion, and that also met the financial conditions. Accordingly, they supported the proposal from the Director General to purchase the Steiner lot at the price of 13.5 million francs.

14. The Delegation of China thanked the Secretariat for the very valuable working documents which had been provided to the two Committees in a timely fashion. The Delegation recalled that the member States had met nine times to discuss the WIPO premises issue. If it was previously the case that member States were not able to reach a consensus on the ways and means to address the needs of the International Bureau for additional premises, due to deficiencies in the initial investigation on the matter, then the detailed information resulting from the comprehensive and serious investigations carried out subsequently by the International Bureau, in response to the requests of member States, were of great help in

gaining a better understanding of the present situation and future demands of the Organization for work spaces. In the March Session of the two Committees this year, most member States agreed that, on the basis of the facts and analysis of the research carried out by the Secretariat, renting proved to be an undesirable alternative. The Secretariat had informed the present session of the two Committees of the negotiations with both the Steiner company and the Procter & Gamble company for their final offers, the result of which shows that the purchase of the Steiner lot by the Organization is the best option. The Delegation reiterated that the Organization had convened many meetings on the issue of premises, and the questions to be clarified and discussed were now resolved. The Delegation was of the view that one should not discuss matters of detail indefinitely because that might well make the problem even more complex. The Delegation emphasized that it was high time to make a decision. In this respect, the Delegation of China reaffirmed its support for the purchase of the Steiner lot and the construction of a building on it by WIPO, and recommended that this project start as soon as possible.

15. The Delegation of the Russian Federation recalled that the Group of Central Asian and Eastern European Countries had always supported the idea for the acquisition of the Steiner lot, and this was equally true for the Delegation itself. It associated itself with the proposal made by the Delegation of China that the two Committees should not plunge into in-depth discussion on this issue that has a long history. The Delegation of the Russian Federation endorsed the work that had previously been done by Mr. A. Sugden and recalled that, subsequently, some countries had insisted that yet another study be carried out in order to define other possibilities. The Delegation was of the opinion that this was a unique and advantageous situation, since the Steiner lot is located in the immediate proximity of the WIPO Headquarters Building, and can therefore satisfy the requirements and needs of the Organization. The Delegation emphasized that the meeting was taking a decision on the building for an Organization which was serving the interests of its member States. The member States had recently supported many important initiatives including automation, computerization and the upgrading of technical cooperation, as well as adopting the Program and Budget of the Organization. In order to implement these important tasks, WIPO has to expand its working space. Should the two Committees choose to postpone the decision, the delay would be counter-productive. The Secretariat had carried out extensive work and proposed, in the opinion of the Delegation, an optimum solution. The Delegation concluded by highlighting that, in the past, the current conference facilities at WIPO Headquarters had proven to be inadequate and the present proposal would now offer the opportunity to solve this problem by also providing a suitable conference facility.

16. The Delegation of Bangladesh, speaking on behalf of the Asian Group, recalled the decision taken by the two Committees in March 1998, that authorized the Director General to explore with the owners of the Steiner lot and P&G Building the best price at which this building could be acquired by WIPO and to report those prices to a joint session of the two Committees. The Delegation expressed the Group's appreciation of the transparency that the Director General had brought to that task and noted the contents of document WO/BC/19/3 - WO/PC/9/3. The Group considered that the price of 13.5 million Swiss francs offered by the Steiner firm was reasonable, and fell within the range of valuations, of between 9.9 million Swiss francs and 16.5 million Swiss francs, made by the Secretariat's two main banks, the Swiss Bank Corporation and Crédit Suisse. The acquisition of the Steiner lot, therefore, appeared to be the most feasible option. The Delegation of Bangladesh stated that, while the Asian Group recognized the need for additional working places for the Organization and to

construct additional premises, some members of the Group were of the view that certain questions remained to be answered before considering the proposal made by the Director General. Accordingly, the Group requested a short break in the proceedings to enable it to meet, with a view to reaching a consensus on the issue.

17. The Delegation of Côte d'Ivoire stated that the proposal of the Director General to acquire the Steiner lot constituted the best solution, not only because the price of 13.5 million Swiss francs was reasonable, but also because it was an appropriate solution. The Delegation thus reaffirmed its support for the acquisition of the Steiner lot.

18. The Delegation of the United States of America thanked the Director General and his staff for their efforts in providing all requested information and answering all questions on the premises issue in an open and transparent way. The Delegation stated that the root of the premises issue was WIPO's need for a significantly expanded workforce over the next decade. The Delegation had carefully reviewed the analysis underlying the Secretariat's workforce projections and, while the growth levels appeared rather generous, it was recognized that WIPO is a demand-driven Organization and there are legitimate growth factors at work in the near and medium term. The Delegation noted that the Secretariat's projections were broadly endorsed by independent studies. For these reasons, the Delegation was prepared to accept a planning figure of 1,429 workspaces required by the year 2008. The Delegation stated that it needed to be borne in mind – as the Secretariat itself had pointed out – that there is a significant degree of uncertainty in such projections. It urged the Secretariat to keep these figures under constant review, and plan for as much flexibility as possible as the Secretariat moved forward. The Delegation stated that once the workspace planning figure of 1,429 for the year 2008 is accepted, the logic in favor of building or purchasing a new facility was hard to dispute. It was clear to the Delegation that the acquisition of the WMO facility will provide only partial and temporary relief, foreseeing that shortages will begin to emerge immediately after the building is occupied in the year 2001. It was considered equally clear, from the figures the Delegation had seen, that a continuation of the *status quo* - that is, multiple rented facilities scattered around town - was not a rational choice. The figures showed that consolidation of Secretariat personnel into a small number of co-located premises is not only more efficient, but also considerably less expensive as well. Looking at the two remaining options - construction of a new building on the Steiner lot versus purchase of the Procter & Gamble Building – a choice in favor of the Steiner lot also seemed clear, as long as the Procter & Gamble option remained overpriced at 100 million Swiss francs. Even if that price was substantially reduced, there were advantages to be gained in the construction of a new building tailored to meet WIPO's needs with optimum efficiency. A crucial point in favor of the Steiner lot option, as far as the Delegation of the United States of America was concerned, was the fact that the Steiner firm had dropped its earlier demand to act as the exclusive contractor for construction of the building. This had removed one of that Delegation's most serious concerns about that option. For all these reasons, the Delegation of the United States of America was prepared to support the proposed immediate purchase of the Steiner lot at the price of 13.5 million francs. In doing so, however, the Delegation made two points. First, it wanted to emphasize its view that any new building that may be constructed on the Steiner lot should be functional and utilitarian in its design, and space allocation for workspaces and common areas should be within established norms for the UN system. In this regard, it was necessary to avoid constructing an ostentatious new building with palatial design features that could make WIPO and the UN a target for criticism. Second, the Delegation believed that a mechanism should be established to ensure continued Member State oversight at each stage of the project,

including the tendering process, the design competition, and the construction phase. The Delegation looked forward to the Secretariat's proposal in that regard.

19. The Delegation of India stated that it had always been in favor of WIPO selecting the most cost-effective solution to the premises issue and had preferred the option of acquiring a building to that of renting. The studies conducted by the Secretariat over the previous couple of years had enabled answers to be provided to the various questions posed by the two Committees during that time and had enabled consensus, or very near consensus, to be reached in favor of the Steiner lot. The Delegation joined that consensus. The removal of the various conditions that had, earlier, been attached to the acquisition of the Steiner lot was a positive development, and was certainly one of the factors that had worked towards achieving consensus. However, the Delegation noted that, during the March meeting of the two Committees, the Asian Group had asked if the Director General could determine whether the Cantonal Authorities or the Swiss Government could purchase the land from the Steiner firm and make it available to WIPO, recalling the earlier proposal whereby the Geneva Canton had been prepared to do so. The question was of some importance not only because it would provide a more cost-effective option, but also because host countries often provided land to international organizations on lease and, while WIPO was in the fortunate position of being able to pay for the land, not all organizations enjoyed such a position. The answer to Question No. 15 in document WO/BC/19/2-WO/PC/9/2 did seek to address this matter, but further clarification was necessary on this important issue. The Delegation felt that a clearer response to the question would enable the Group to give its wholehearted consent to the proposal in paragraph 8 of document WO/BC/19/3-WO/PC/9/3.

20. The Delegation of Canada recalled that, at the last meeting of the Budget and Premises Committees, it had been unable to make a decision on future premises due to the need for further information on WIPO's long-term premises needs. It had also noted its concerns that WIPO's staff forecasts did not fully take into account the benefits of information technology on future staff growth. In addition, it had, at the March meeting of the General Assembly, linked the question of premises and information technology, in particular the tendency to underestimate, in the short term, the real space needs involved in developing and deploying large-scale automation projects. The Delegation had noted, in particular, that, in the short term, additional premises would be required to provide training facilities for staff and to accommodate consultants and contractors. Since March of this year, several positive meetings with the Secretariat had taken place, to address these concerns. In addition, members of the Secretariat had recently met with several officials in Canada to openly discuss remaining questions and concerns. That meeting had proved to be a useful opportunity for both parties to discuss various aspects of the Secretariat's analysis of future staff needs and corresponding space requirements, and for Canada to provide the Secretariat with information on the utilization of office space and its recent automation experiences with regard to its patent and trademark operations. As a result of those meetings and the visit, the Delegation was now in a position to fully support and endorse the recommendation to purchase the Steiner lot.

21. The Delegation of Hungary thanked the Director General and his colleagues for their efforts in submitting an excellent document offering a detailed analysis and in providing all the information requested. The Delegation said that it was able to join the consensus regarding the acquisition of the Steiner lot at a price of 13.5 million francs and agreed that the Director General be authorized to proceed along those lines immediately. Informal consultations, as foreseen in paragraph 9 of document WO/BC/19/3-WO/PC/9/3 should take place as soon as

possible. The continuation of such preparatory work was vital for the continued success of the project.

22. The Delegation of Bulgaria expressed its appreciation for the detailed response prepared by the Secretariat to questions raised by some Delegations concerning the premises issue. There were strong and convincing arguments regarding the significant disadvantages of deferring a decision on the option presented by the Secretariat. The Delegation associated itself with the statement made by the Delegation of Croatia, the Group Coordinator for Central Europe and Baltic States, supporting the proposal to purchase the Steiner lot at the price of 13.5 million francs. It also fully supported the proposal for informal consultations with the Chairperson and two Vice-Chairmen of the General Assembly, the Chairman of the Budget and Premises Committees and the Regional Coordinators in order to elaborate proposals for the next steps regarding the construction on the Steiner lot. The Delegation hoped that, in the near future, WIPO would have a new building, next to the most beautiful building in the Place des Nations, and that member States and delegates participating in the meetings of WIPO, including those held in the new conference room, would be very proud to be a part of the WIPO community.

23. The Delegation of Chile expressed its thanks and congratulated the Secretariat for the work undertaken and for all the documentation provided. The Delegation recalled, in the May 1996 session, that it had expressed its concerns towards the conditions set up by the Steiner firm in relation to the construction of a building on the Steiner lot. In this regard, it emphasized that the construction of new buildings had to be done on the basis of an open and transparent competitive tender in compliance with the United Nations practices. It had also indicated on various occasions the necessity of evaluating other alternatives in Geneva in view of the costs involved, and when the subject had arisen had been one of the promoters and supporters of the move to contract an outside consultant for the purpose. It was convinced that the decision to contract such a consultant had been the right one. Following the election of the new Director General, the two Committees had received different proposals including new perspectives which satisfied the concerns that had been raised by different member States, notably Chile. The Delegation said it viewed positively the fact that the Steiner firm was now ready to sell the land without requiring to be the general contractor. As concerns the Procter & Gamble Building, its price was excessive. As most of the Delegation's concerns had now been resolved, it agreed to support paragraph 8 of document WO/BC/19/3-WO/PC/9/3 and the construction of a building on the Steiner lot of a reasonable size and price. In conclusion, it added that the point raised by the Delegation of India was valid and it would await the explanations of the Director General.

24. The Delegation of Morocco associated itself with the statement of the Coordinator of the African Group and also congratulated the International Bureau for the excellent documentation and for its efforts made in finding a solution to the problem of premises. The Delegation supported the proposals made in paragraphs 8 and 9 of document WO/BC/19/3-WO/PC/9/3 concerning, respectively, the purchase of the Steiner lot and consultations on the future steps regarding construction on the Steiner lot.

25. The Delegation of France congratulated the Director General and the Secretariat for the transparent work and for all the information provided. The Delegation recalled that it had always supported the principle of purchasing the Steiner lot and added its support to the points previously made by the Delegation of China. Noting that the discussions had been taking place

for a certain period, the Delegation of France considered that it was now time to make rapid progress. The Delegation agreed with the Delegation of China that the future work should be started quickly. Furthermore, the Delegation of France supported the statements which had previously been made by the Coordinator of Group B.

26. The Delegation of Japan thanked the Secretariat for having done a lot of hard work to prepare for this meeting since the last joint session of the two Committees and the General Assembly in March. The Delegation expressed its appreciation for the leadership of the Director General in explaining the necessity for a new building based on the principles of transparency and accountability. The Delegation of Japan recalled that it had originally had a negative position concerning a new building because it considered that the forecasts of WIPO staff needs to the year 2008 did not take into consideration the information technology impact on staff reduction. However, it was now satisfied with the answers prepared by the Secretariat to the questions from the United States, Canada and Japan which indicated a 20% staff reduction as a result of future computerization, which the Delegation thought was reasonable. In light of this, the Delegation of Japan decided that WIPO now needed a new building and it preferred the Steiner lot to the P&G Building, because the former was not only less expensive but also had the possibility to be an intelligent building suitable for WIPO's computerization and information-oriented projects, like the Global Information Network and PCT computerization. Finally, the Delegation of Japan added its appreciation for the effort made by the Chairman with a view to achieving a consensus on the premises matter.

27. The Delegation of Germany shared the hope, expressed by the Delegation of India, that this would be the last stage of the present exercise and also shared the opinion, expressed by the Director General, that in fact the meeting was finishing up with the second and last part of work which belonged to the March session of the two Committees. The Delegation associated itself with the Delegation of the United States in acknowledging the large amount of precise information that had been provided for the meeting and congratulated the Secretariat. That information also contained some elements with respect to the questions raised by the Asian Group. Given the information provided, the Delegation of Germany was in the position to endorse almost everything that has been said so far, and supported the reasonable option to buy the Steiner lot for the price negotiated.

28. The Delegation of Slovakia highlighted the urgent need to solve the problem of WIPO's premises and strongly supported the proposal stated in paragraph 8 of document WO/BC/19/3-WO/PC/9/3, to authorize the Director General to proceed with the purchase of the Steiner lot immediately at the proposed price of 13.5 million Swiss francs.

29. The Delegation of Switzerland stated that it agreed with what had been stated by previous delegations, notably, the statement made by the Coordinator of Group B. The Delegation supported and agreed with the proposals contained in paragraphs 8 and 9 of document WO/BC/19/3-WO/PC/9/3. With respect to the observations that had been made by certain delegations concerning the possibility that the Swiss or Geneva Authorities might make available the Steiner lot through purchasing that lot, the Delegation of Switzerland made the following comments. It was true that the Geneva Authorities sometimes put land in their possession at the disposal of certain international organizations. That was not the case with the Steiner lot, which was owned privately and therefore a purchase would be required to make it available. Without going into the details, as the Delegation was not now in a position to reply definitively about the possibility or not of such a purchase, which would require a

detailed examination by the competent authorities, the Delegation made two observations in particular. First, if one entered into such negotiations, the delays would be considerably extended since, for the amount involved, there would be a lengthy negotiation and a long democratic process which would involve not only several months but several years before a decision could be taken. Secondly, given the financial situation of WIPO, on the one hand, and of the Canton of Geneva and the Swiss Confederation, on the other hand, one would enter into a long process whose result would be uncertain. In the light of those considerations, the Delegation of Switzerland supported the proposal of financing the purchase of the Steiner lot from the Special Reserve Fund established for that purchase, as had been proposed by the majority of delegations.

30. The Delegation of Nigeria thanked the Director General and the International Bureau for the excellent documentation prepared for this meeting and associated itself with the statement made by the Delegation of South Africa on behalf of the African Group. The Delegation of Nigeria joined the consensus on the decision that WIPO be authorized to purchase the Steiner lot, thus constructing to specification its future needs for increased office space and improved conference facilities for the Organization.

31. The Delegation of Egypt thanked the Director General and the Secretariat for the valuable information and efforts they furnished concerning the purchase by WIPO of a new lot on which new premises would be constructed. That Delegation supported the Delegation of South Africa which, speaking as Coordinator of the African Group, approved the purchase of the Steiner lot. The Delegation of Egypt believed that consultations regarding the construction of a new building should be started as soon as possible, and should take into account the various considerations which had been expressed by several delegations.

32. The Delegation of Ecuador supported the statement made by the Coordinator of GRULAC. It thanked the International Bureau for the detailed documents provided for this meeting which would enable the adoption of a final decision for the benefit of WIPO's work. The Delegation stated that the decision to be adopted to solve the issue of WIPO's premises should aim at concentrating the international core of intellectual property in Geneva, and that the solution be of a long-term nature in order to avoid re-opening the same debate in 2010. However, the Delegation gathered from the statement made by the Delegation of Switzerland that Geneva derives great international prestige from the fact that it hosts the Headquarters of major Specialized Agencies of the UN system, and that surely the Swiss and Geneva Authorities would consider the status given by the States to this beautiful city in order to facilitate WIPO's construction of a new building on the Steiner lot. A positive response from the Swiss Authorities to make the Steiner lot available to WIPO would allow WIPO to invest the funds that would have been used to buy the land for the construction of a larger and more functional building. The Delegation of Ecuador said it would go on supporting solutions which were cost-effective and well balanced.

33. The Director General expressed his gratitude, on behalf of his colleagues in the International Bureau, for the spirit of support, guidance, clarity and encouragement which was expressed by Delegations. He confirmed that WIPO's spirit of openness, transparency and accountability will ever continue, in particular as the Organization continued to develop the important and critical project that was before the joint Committees. The Director General identified six questions or comments that had been made upon which he offered observations.

(i) One question related to the costs involved in the development of various studies and the expenses incurred by the International Bureau as far as these studies are concerned. The Director General said that the Secretariat would identify such studies and provide the amount expended by WIPO in having those studies carried out; that information would be provided prior to the report adoption session for the current session of the two Committees and would be reflected in a document that would be produced by the Secretariat.

(ii) The second point related to the process of consultations. The Director General observed that, as the project on new premises evolved, there would be some technical elements upon which some Delegations may wish to consult their capitals. This was the main reason why WIPO had planned to initiate the process of consultations after the session of the two Committees.

(iii) The third point was related to the projections of staffing and work place requirements. The Director General stated that WIPO's policy will continue to be to regularly reevaluate such projections.

(iv) The fourth point was that the building should be functional and utilitarian. The Director General stated that this was the main objective of WIPO. The project for new premises should be considered very intelligently in order to ensure that it answered the precise needs and functional requirements of the Secretariat.

(v) The fifth point was related to the Members States' oversight. In this regard, the Director General reconfirmed that the process of consultations with the Member States was an element in ensuring oversight. He assured the Member States that they would be involved at each and every step in order to precisely undertake this element of oversight, which would be done in full partnership.

(vi) The sixth point was the possibility of requesting the Swiss Authorities to purchase the land on behalf of the International Bureau. In addition to what was said by the Delegation of Switzerland, the Director General identified five key elements to be taken into consideration when contemplating making such a request. First, there was the time involved. Such a request was not one that could be processed in two or three weeks. Indeed, the Director General recalled that the Delegation of Switzerland had indicated that such a request could take several months or perhaps one full year or more. Secondly, he observed that the formalities involved in such a request were not simple or easy and they would certainly, even if the reply would be positive, delay the whole process. The Director General stated that the third element to be taken into account was the financial situation of WIPO. He stated that it was no secret that the Organization is financially able to provide the necessary financial resources for this project. This led him to the fourth point, which was that the Member States had already established the Special Reserve Fund, which was earmarked for the purposes of additional premises that might be needed by this Organization. The Director General cautioned that even if such a request to the Swiss authorities was made, there was a risk of receiving a negative reply. Having in mind these elements and having heard the intervention of the Delegation of Switzerland, the Director General strongly urged the Members of the two Committees to proceed as proposed and fund the new premises from the Special Reserve Fund.

34. The Chairman then announced a break to afford the Asian Group the additional time it had requested for consultations.

35. Following that break, the Delegation of Bangladesh, speaking on behalf of the Asian Group, said that the Asian Group had taken note of the statements made by the other Group Coordinators, as well as by national delegations and, in particular, the statement by the Director General as well as the statement by the Delegation of Switzerland. In light of all those elements, the Delegation stated that the Asian Group joined the consensus regarding the proposal of the Director General contained in paragraphs 8 and 9 of document WO/BC/19/3-WO/PC/9/3. The Asian Group would be pleased to participate actively in the informal consultations regarding construction on the Steiner lot.

36. The Chairman stated that, having heard the views expressed by the Regional Group Coordinators as well as the member States present, he concluded that there was a consensus to approve the proposals contained in paragraphs 8 and 9 of document WO/BC/19/3-WO/PC/9/3, and all member States supported those proposals. The Chairman also observed that the comments and observations made by the member States would be taken into account by the International Bureau in the future.

*37. The Budget and Premises Committees approved the proposals contained in paragraphs 8 and 9 of document WO/BC/19/3-WO/PC/9/3 and authorized the financing of the purchase of the Steiner lot from the Special Reserve Fund for Additional Premises and Computerization.*

38. At the report adoption session, the Director General provided the information that had been requested by the Delegation of Jamaica on WIPO's expenses since March 1996 regarding studies on premises, as contained in Annex 2 of this report.

*39. This report was adopted by the two Committees.*

[Annex 1 follows]

ANNEXE 1/ANNEX 1

I. ÉTATS MEMBRES/MEMBER STATES

*(dans l'ordre alphabétique des noms français des États/  
in the alphabetical order of the names in French of the States)*

AFRIQUE DU SUD/SOUTH AFRICA

Bongiwe QWABE (Ms.), Second Secretary, Permanent Mission, Geneva

ALGÉRIE/ALGERIA

Anissa BOUABDALLAH (Mme), conseiller, Mission permanente, Genève

ALLEMAGNE/GERMANY

Li-Feng SCHROCK, Senior Counsellor, Federal Ministry of Justice, Bonn

BULGARIE/BULGARIA

Rakovski LASHEV, First Secretary, Permanent Mission, Geneva

Kiril ANANIEV, Head, Financial Section, Permanent Mission, Geneva

CANADA

Quan-Ling SIM, First Secretary, Permanent Mission, Geneva

CHILI/CHILE

Alejandro ROGERS, Consejero, Misión Permanente, Ginebra

CHINE/CHINA

HOU Zhenyi, Counsellor, Permanent Mission, Geneva

ZHAO Yangling (Mrs.), First Secretary, Permanent Mission, Geneva

CROATIE/CROATIA

Gordan MARKOTIĆ, Counsellor, Permanent Mission, Geneva

ÉGYPTE/EGYPT

Amr ABDELAZIZ HAFEZ, Third Secretary, Permanent Mission, Geneva

ÉQUATEUR/ECUADOR

Federico MENESES ESPINOSA, Ministro, Misión Permanente, Ginebra

ÉTATS-UNIS D'AMÉRIQUE/UNITED STATES OF AMERICA

John S. BLODGETT, Director, Office of Technical Specialized Agencies, Bureau of International Organization Affairs, Department of State, Washington, D.C.

James McGLINCHEY, Chief, Office of Intellectual Property and Competition, Department of State, Washington, D.C.

Thaddeus BURNS, Attaché, Office of the United States Trade Representative, Geneva

Soching TSAI (Ms.), First Secretary, Permanent Mission, Geneva

FÉDÉRATION DE RUSSIE/RUSSIAN FEDERATION

Nikolai KHLESTOV, Senior Counsellor, Permanent Mission, Geneva

Mikhaïl CHVEDOV, Attaché, Permanent Mission, Geneva

FRANCE

Claudine SERRE (Mme), chargé de mission au Ministère des affaires étrangères, Paris

HONGRIE/HUNGARY

Miklós BENDZSEL, President, Hungarian Patent Office, Budapest

Mária JUBA (Mrs.), Head, Management Department, Hungarian Patent Office, Budapest

INDE/INDIA

Dilip SINHA, Minister, Permanent Mission, Geneva

JAMAÏQUE/JAMAICA

Franz HALL, Counsellor, Permanent Mission, Geneva

JAPON/JAPAN

Shigeki SUMI, Counsellor, Permanent Mission, Geneva

Yoshifumi SAEKI, Director, International Cooperation Office, Japanese Patent Office, Tokyo

Satoshi MORIYASU, First Secretary, Permanent Mission, Geneva

Akinori MORI, First Secretary, Permanent Mission, Geneva

MAROC/MOROCCO

Abdellah BEN MELLOUK, premier secrétaire, Mission permanente, Genève

MEXIQUE/MEXICO

Arturo HERNÁNDEZ BASAVE, Ministro, Misión Permanente, Ginebra

NIGÉRIA/NIGERIA

Yemisi Kikelomo MARCUS (Mrs.), Counsellor, Permanent Mission, Geneva

NORVÈGE/NORWAY

Niels Didrich BUCH, First Secretary, Permanent Mission, Geneva

PAYS-BAS/NETHERLANDS

Henk G.C. VAN DEN DOOL, First Secretary, Permanent Mission, Geneva

PHILIPPINES

Leo J. PALMA, Attaché, Permanent Mission, Geneva

RÉPUBLIQUE DE CORÉE/REPUBLIC OF KOREA

Wom Joon KIM, Counsellor, Permanent Mission, Geneva

ROYAUME-UNI/UNITED KINGDOM

Jim AYLING, Senior Policy Advisor, Intellectual Property Policy Directorate, The Patent Office, Newport

Helen FRARY (Ms.), Second Secretary, Permanent Mission, Geneva

SÉNÉGAL/SENEGAL

Khalyl Adama NDOUR, conseiller, Mission permanente, Genève

SLOVAQUIE/SLOVAKIA

Vladimír BANSKÝ, Director, International and PCT Department, Industrial Property Office, Banská Bystrica

Juraj SÝKORA, Third Secretary, Permanent Mission, Geneva

SRI LANKA

Ranjana Nalin ABEYSEKERA, Minister (Economic and Commercial Affairs), Permanent Mission, Geneva

SUISSE/SWITZERLAND

Eric MAYORAZ, deuxième secrétaire, Mission permanente, Genève

## II. OBSERVATEURS/OBSERVERS

### ARGENTINE/ARGENTINA

Andrea REPETTI (Sra.), Tercer Secretario, Misión Permanente, Ginebra

### BANGLADESH

Khalilur RAHMAN, Counsellor, Permanent Mission, Geneva

### BHOUTAN/BHUTAN

Sonam TOBGAY, Third Secretary, Permanent Mission, Geneva

### BRÉSIL/BRAZIL

Luiz Cesar GASSER, Second Secretary, Permanent Mission, Geneva

### BURUNDI

Épiphanie KABUSHEMEYE-NTAMWANA (Mme), premier conseiller, Mission permanente, Genève

### CÔTE D'IVOIRE

Gisèle Praxède KETE, conseiller, Mission permanente, Genève

### GABON

Patrick Florentin MALEKOU, conseiller, Mission permanente, Genève

### GHANA

Kenneth Asare BOSOMPEM, Minister, Permanent Mission, Geneva

### INDONÉSIE/INDONESIA

Agus TARMIDZI, Ambassador, Permanent Representative, Permanent Mission, Geneva

Umar HADI, Third Secretary, Permanent Mission, Geneva

ITALIE/ITALY

Nelusco NATALI, assistant commercial, Mission permanente, Genève

KENYA

Kipkorir Aly Azad RANA, Ambassador, Permanent Representative, Permanent Mission, Geneva

Juliet GICHERU (Mrs.), First Secretary, Permanent Mission, Geneva

MADAGASCAR

Olgatte ABDOU (Mme), premier secrétaire, Mission permanente, Genève

SOUDAN/SUDAN

Abuelgasim SHIEKH IDRIS, Ambassador, Permanent Representative, Permanent Mission, Geneva.

Abbadi NOURELDEEN, Second Secretary, Permanent Mission, Geneva

III. BUREAU/OFFICERS

Président/Chairman:	Shigeki SUMI (Japon/Japan)
Vice-présidents/Vice-Chairmen:	Dilip SINHA (Inde/India) Rakovski LASHEV (Bulgarie/Bulgaria)
Secrétaire/Secretary:	Joachim BILGER (OMPI/WIPO)

IV. BUREAU INTERNATIONAL DE L'ORGANISATION MONDIALE DE LA  
PROPRIÉTÉ INTELLECTUELLE (OMPI)/INTERNATIONAL BUREAU  
OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

Kamil IDRIS, directeur général/Director General

François CURCHOD, vice-directeur général/Deputy Director General

Thomas KEEFER, sous-directeur général/Assistant Director General

Francis GURRY, conseiller juridique et directeur du Centre d'arbitrage et de médiation de  
l'OMPI/Legal Counsel and Director, WIPO Arbitration and Mediation Center

Khamis SUEDI, directeur du Bureau de la planification stratégique et du développement des  
politiques/Director, Office of Strategic Planning and Policy Development

Giovanni TAGNANI, directeur de la Division des bâtiments/Director, Buildings Division

Joachim BILGER, contrôleur et chef du Bureau de supervision interne et de  
productivité/Controller and Head, Office of Internal Oversight and Productivity

Richard WILDER, conseiller principal, Bureau des affaires juridiques et structurelles/Senior  
Counsellor, Office of Legal and Organization Affairs

[L'annexe 2 suit/  
Annex 2 follows]

## ANNEX 2

WIPO'S EXPENSES SINCE MARCH 1996 REGARDING STUDIES ON PREMISES

	<u>Swiss francs</u>
1. <u>Mr. A Sugden's report</u> "Needs of WIPO for Additional Premises" (reference document WO/BC/XV/2-WO/PC/VI/2)	48,000
2. <u>STG-Coopers &amp; Lybrand</u> "Evaluation of the Possibilities of the Geneva Property Market for Meeting Future Premises Requirements (1997-2006)" (reference document WO/BC/XVI/2-WO/PC/VII/2)	160,000
3. <u>International Architectural Competition (First Phase)</u> (reference document WO/BC/XVI/3-WO/PC/VII/3)	317,000
4. <u>Studies made by Consulting Architect Regarding Construction Alternatives on WIPO's Land</u> (reference document WO/GA/22/1)	50,000
5. <u>Valuations of Procter &amp; Gamble Building and Steiner Lot</u> (reference documents WO/GA/22/1 and WO/BC/19/3-WO/PC/9/3)	<u>20,000</u>
Total	<u>595,000</u>

[End of Annex 2 and of document]