

WIPO



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WORLD INTELLECTUAL PROPERTY ORGANIZATION GENEVA

PROGRAM AND BUDGET COMMITTEE

Informal Session Geneva, December 11 to 13, 2006

PROGRESS REPORT ON THE NEW CONSTRUCTION PROJECT

Memorandum by the Secretariat

1. At the tenth session of the Program and Budget Committee (hereinafter referred to as “the Committee”), held from July 11 to 13, 2006, the Secretariat presented a progress report (document WO/PBC/10/4) on the new construction project (hereinafter referred to as “the project”) and made available the revised “Charter for the WIPO New Construction Project” (see document WO/PBC/10/5, paragraph 23).
2. The present document constitutes a progress report on the project since the tenth session of the Committee.

Cost Audit of the Project

3. The External Auditor formally agreed in September 2006 to carry out the cost audit of the estimated budget of the project, which had been recommended by the Audit Committee. The External Auditor informed the Secretariat that he intended to carry out the audit within the framework of his regular annual audit and would therefore not need to engage the services of experts in this particular task. Finally, the Auditor also indicated that he would communicate his report by the end of November.
4. At the date of issuance of this document, the report on the cost audit had not yet been communicated to the Secretariat, but it will be made available to the Program and Budget Committee at the latest at the opening of its informal session.

Charter for the New Construction Project

5. Following recommendations made by the Audit Committee at its second meeting, held from July 5 to 7, 2006, the Secretariat prepared a third revised version of the Charter for the project which was presented to the Audit Committee at its third meeting, held from October 30 to November 2, 2006 (see also paragraphs 10 and 11, below).

Indicative Timetable for the New Construction Project

6. For the purposes of information of this Committee, an updated version of the "Indicative Timetable" contained in the Charter, is set out in the Annex of this document.

7. As it was already brought to the attention of this Committee at its tenth session (see document WO/PBC/10/4, paragraph 16), the cost incurred in respect of the project in the current biennium will be only marginal. On the one hand, this will be reflected under Program 31 (New Construction) of the revised budget for 2006/07, which will be submitted to the Committee in the first half of 2007. On the other hand, the interest rates on the basis of which the cost of the loan was estimated under Program 31 may need to be adjusted. This would be done, as needed, under the draft Program and Budget for 2008/09. It is also noted that, due to the delayed start of construction work, the regular budget continues to bear the cost of rental of non-WIPO-owned premises beyond the originally estimated date. This will also be reflected as needed in the draft Program and Budgets for 2008/09 and 2010/11.

Second and Third Sessions of the Selection Board

8. The Selection Board held its second session on October 25, 2006, and selected Burckhardt+Partner SA, a Swiss architectural company expert in project management, to be the pilot of the project. Negotiations have been carried out between the Secretariat and that company, and the contract was signed on November 22, 2006.

9. The third session of the Selection Board is tentatively scheduled to take place around February 2007, and will deal with the pre-selection of the companies that will have expressed an interest in the construction of the new building and will, therefore, receive the Request for Proposals (RFP) for the general contractor's mandate.

Taking up of Functions by the Pilot

10. At the date of issuance of this document, the pilot has just taken up its functions (see paragraph 8, above). One of the main first tasks of the pilot will be to participate in the preparation of the tender procedure for the selection of the general contractor, through the finalization of the Call for Expression of Interest (EOI). It will also prepare a Risk Register, as recommended by the Audit Committee, at its first session in April 2006 (see document WO/AC/1/2, paragraph II.2(f)).

Follow-up of the Third Meeting of the Audit Committee (October 30 to November 2, 2006)

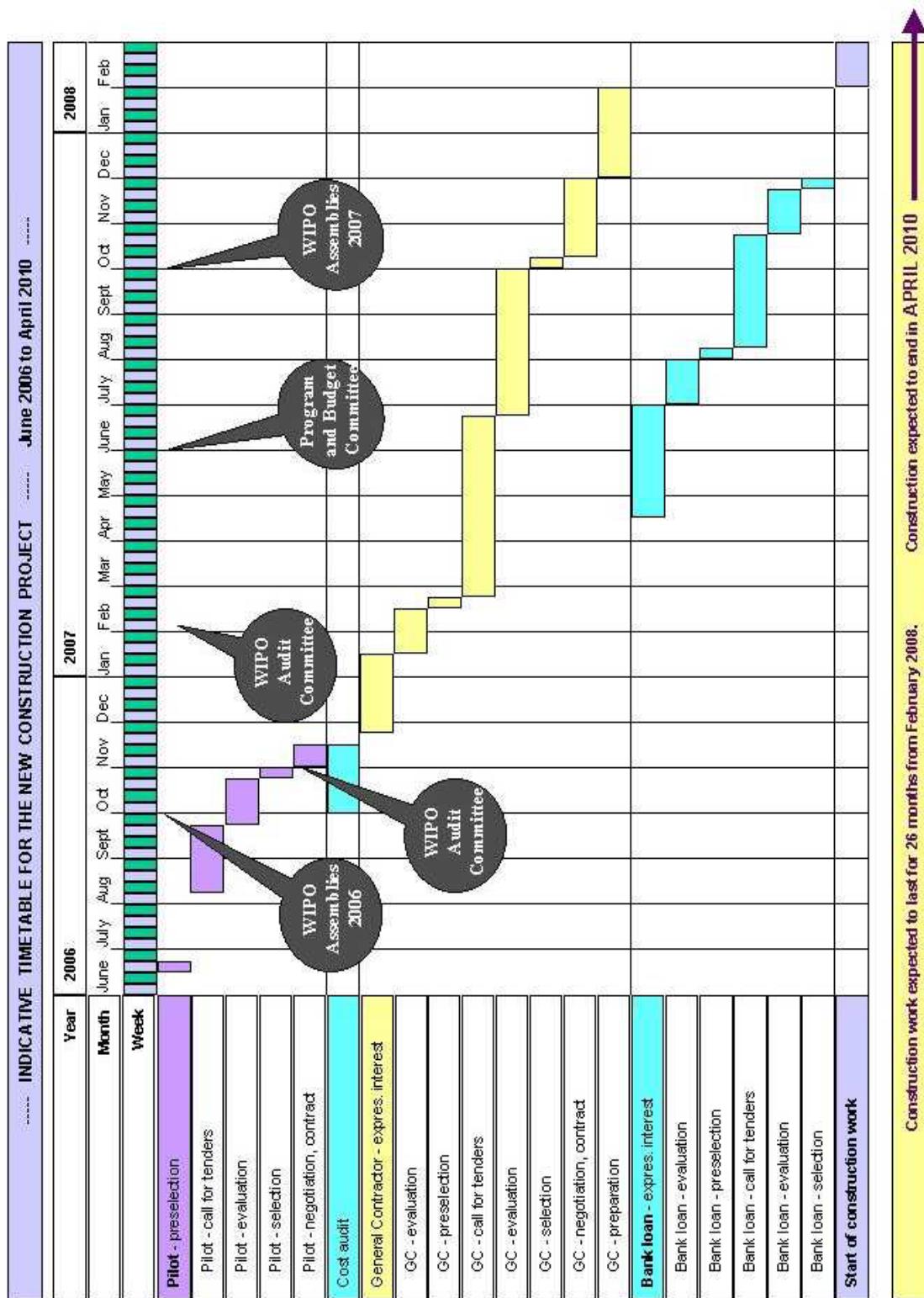
11. The Audit Committee, at its third meeting, made a number of recommendations specifically directed at the new construction project (see document WO/AC/3/2 transmitted to Member States by *note verbale* No. C.N 2722 on November 17, 2006, paragraphs 6 to 11), which the Secretariat will take into account in its future work.

12. Besides recommendations aimed at introducing a number of modifications in the Charter itself (in particular in respect of the Flow Diagram, which should be completed by two additional specific diagrams), the Audit Committee has recommended that the report on the cost audit by the External Auditor be communicated to it in due course, that the Secretariat prepare its own risk register, in addition to the one that the pilot must prepare, and that both registers be maintained in parallel and that the Secretariat arrange for the pilot to meet the Audit Committee at its February/March 2007 meeting. Finally, the Audit Committee had recommended that the Secretariat may entrust the internal regular audit of the new construction project to the UN Office of Internal Oversight Services (UN OIOS). The Secretariat has thus addressed this request to OIOS. However, OIOS has communicated that they will not be in a position to provide such services to WIPO. Having taken note of this information, the Audit Committee has recommended that the Secretariat seek alternative resources for the internal audit of the project and report thereon at the February/March 2007 meeting.

13. The Program and Budget Committee is invited to take note of this Progress Report.

[Annex follows]

ANNEX



[End of Annex and of document]