

WIPO



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PROGRAM AND BUDGET COMMITTEE

Fourteenth Session

Geneva, September 14 to 16, 2009

PROGRESS REPORT ON THE NEW CONSTRUCTION PROJECT

Prepared by the Secretariat

1. The purpose of this document is to present to the Program and Budget Committee (“the PBC”) a progress report on the new construction projects covering the period since the previous report on the New Construction Project (document WO/PBC/13/5) and proposal on the New Conference Hall Project (document WO/PBC/13/6(c)) were presented to it, on the occasion of its thirteenth session, held on December 10 and 11, 2008, and following the approval of the latter by the Assemblies of the Member States of WIPO (“the Assemblies”) at their 46th session held on December 12, 2008 (document A/46/12, report, paragraph 45).

I. THE NEW CONSTRUCTION PROJECT (NEW ADMINISTRATIVE BUILDING AND ADDITIONAL UNDERGROUND LINK BETWEEN THE AB BUILDING AND THE NEW BUILDING)

(a) Progress of the construction site

2. Construction remains on schedule for a completion date in October 2010. As of the date of this document, the status of the main three phases of the ongoing construction site is as outlined below.

3. In respect of the new administrative building (“Phase I”), major structural work for all floors are well advanced and are expected to be completed by October 2009; further detailed work has started on the various basement floors. The roofing slab is expected to be completed ahead of schedule, that is, before mid-September 2009.
4. In respect of the underground link between the AB Building and the new building (“Phase II”), major structural work has been ongoing and is expected to be completed in October 2009. The opening of the new ramp to the AB Building underground parking remains on schedule for October 2009, even though modifications are currently being introduced in order to move the entrance to that future ramp from the AB Building forecourt to the GBI Building forecourt. These modifications are due both to the implementation of the UN H-MOSS security measures and to an anticipation of the effect that the New Conference Hall Project would have on the area, should that Project be approved by the Assemblies at their September 2009 session.
5. The updated Indicative Construction Phase Timetable is enclosed in the Annex.
6. As had been announced to the PBC (document WO/PBC/13/6(c), paragraphs 51 and 52), the completion of a part of the pedestrian underground link between the AB Building and the new building (“Phase III”) will have to be modified to fit with the excavation work for the New Conference Hall Project, should that Project be approved by the Assemblies at their September 2009 session.
7. A number of other minor conservatory measures have had to be executed, and others may have to be executed until the end of 2009, so as to take into account the preparation of the future possible extension of the construction site, should the Assemblies approve the New Conference Hall Project, at their September 2009 session. The estimated cost of the measures already executed has been marginal and has been taken from the approved financial envelop covering Phase One of the New Conference Hall Project (see paragraph 13, below).

(b) Updated and consolidated budget and financing of the project

8. It is recalled that the PBC recommended, and the Assemblies approved, at their respective sessions held in December 2008, the updated and consolidated budget for the new construction project, as well as a “Provision for Project Modifications” and a “Provision for Miscellaneous and Unforeseen” (provisions amounting to a cumulative total of 16 million Swiss francs) (documents WO/PBC/13/6(b), WO/PBC/13/10 (report, paragraph 129), and A/46/12 (report, paragraph 45)).
9. As of the date of this document, the “Provision for Project Modifications” (amounting to about 8.2 million Swiss francs) has been fully utilized to cover the cost of additional modifications relating to the Data Center (about 2.5 million Swiss francs) and of the implementation of UN H-MOSS security measures (about 4.5 million Swiss francs). These two items had been expressly signaled to the PBC and the Assemblies of the Member States as being the main ongoing modifications (see document WO/PBC/13/6(b), paragraph 11). The remaining amount (about 1.2 million Swiss francs) has been used to cover a large part of the cost of the installations for converting the fourth underground level into a storage area for the various units that are expected to move into the new building.
10. Also as of the date of this document, the “Provision for Miscellaneous and Unforeseen” (about 7.8 million Swiss francs) was used to cover the remaining cost of the installations for

converting the fourth underground level of the new building into a storage area (in the amount of 0.66 million Swiss francs). That Provision has since also been used to cover the unforeseen additional cost of infrastructure work in the fifth level of the underground link between the new building and the AB Building, and certain UN H-MOSS security measures in and around the new building (for a total of about 0.49 million Swiss francs). The resulting amount of 6.73 million Swiss francs remains in the “Provision for Miscellaneous and Unforeseen” for unforeseen matters that could occur during the last 14 months of construction (out of a total construction period of 30 months).

(c) Loan and effect of the project on the WIPO regular budget

11. It is recalled that, for the purposes of the Revised Program and Budget for the 2008/09 biennium presented to the PBC in December 2008, an amount of 4.9 million Swiss francs was approved (under Program 29) to cover the honoraria for the Project Pilot and the interest on the loan. The first drawdown on the loan (for 50 million Swiss francs), originally planned for December 2008, was delayed until March 2009 in order to benefit from lower interest rates. As a consequence, the approved amount under the regular budget will not be fully used within the biennium. Similarly, the Proposed Program and Budget for the 2010/11 biennium presented to the PBC at the present session would cover (under Program 29) the honoraria for the Project Pilot and the interest on the loan, on the assumption that up to two more drawdowns would take place between the end of 2010 and the beginning of 2011. Finally, the regular budget (Program 24.4) will continue to bear the rental cost of non-WIPO-owned premises in the 2008/2009 and 2010/2011 biennia pending completion of the project.

II. NEW CONFERENCE HALL PROJECT: PHASE ONE (STUDIES AND PREPARATION OF THE COMPLETE ARCHITECTURAL AND TECHNICAL DOSSIER)

12. The complete architectural and technical dossier for the New Conference Hall Project, as well as the project management structure and the proposed budget and financing for that Project, are the subject of document WO/PBC/14/10 presented to the PBC and the Assemblies at their respective September 2009 sessions, for recommendation and decision, respectively.

13. When approving the launching of Phase One and the associated financial envelop for the honoraria and fees up to the presentation of the complete dossier in the amount of 4.2 million Swiss francs, the PBC and the Assemblies had requested the Secretariat to lower the cost of the honoraria to be paid to the architect and other specialist engineers. A reduction of about 200,000 Swiss francs has been achieved on the overall cost of the honoraria.

III. CONSTRUCTION ASPECTS OF THE IMPLEMENTATION OF UN H-MOSS SECURITY MEASURES

14. In view of the extensive interface between the ongoing construction site, the possible future new conference hall and the improvement of security for the existing buildings, the Secretariat decided in April 2009 to manage all these mainly construction projects through the same organizational structure: the Construction Committee, the Internal Project Monitoring Team on the one hand, and, on the other hand, the Pilot. Furthermore, as had been announced to the PBC and the Assemblies in December 2008, the Secretariat commissioned the architect and a number of specialists engineers previously engaged for the ongoing New Construction

Project to work also on the New Conference Hall Project and on a number of exterior features for implementing the UN H-MOSS security measures to all buildings (existing, ongoing and future). These decisions were taken with a view to optimizing the preparation, coordination and decision-making aspects of those three projects which represent major investments for the Organization and which require strict observance of tight parallel timetables and numerous immediate operational actions.

15. Reference is made to the separate Progress Report dedicated to UN H-MOSS security measures implementation, presented to the PBC in document WO/PBC/14/11.

IV. REGULAR CONTROL AND AUDIT OF THE NEW CONSTRUCTION PROJECT

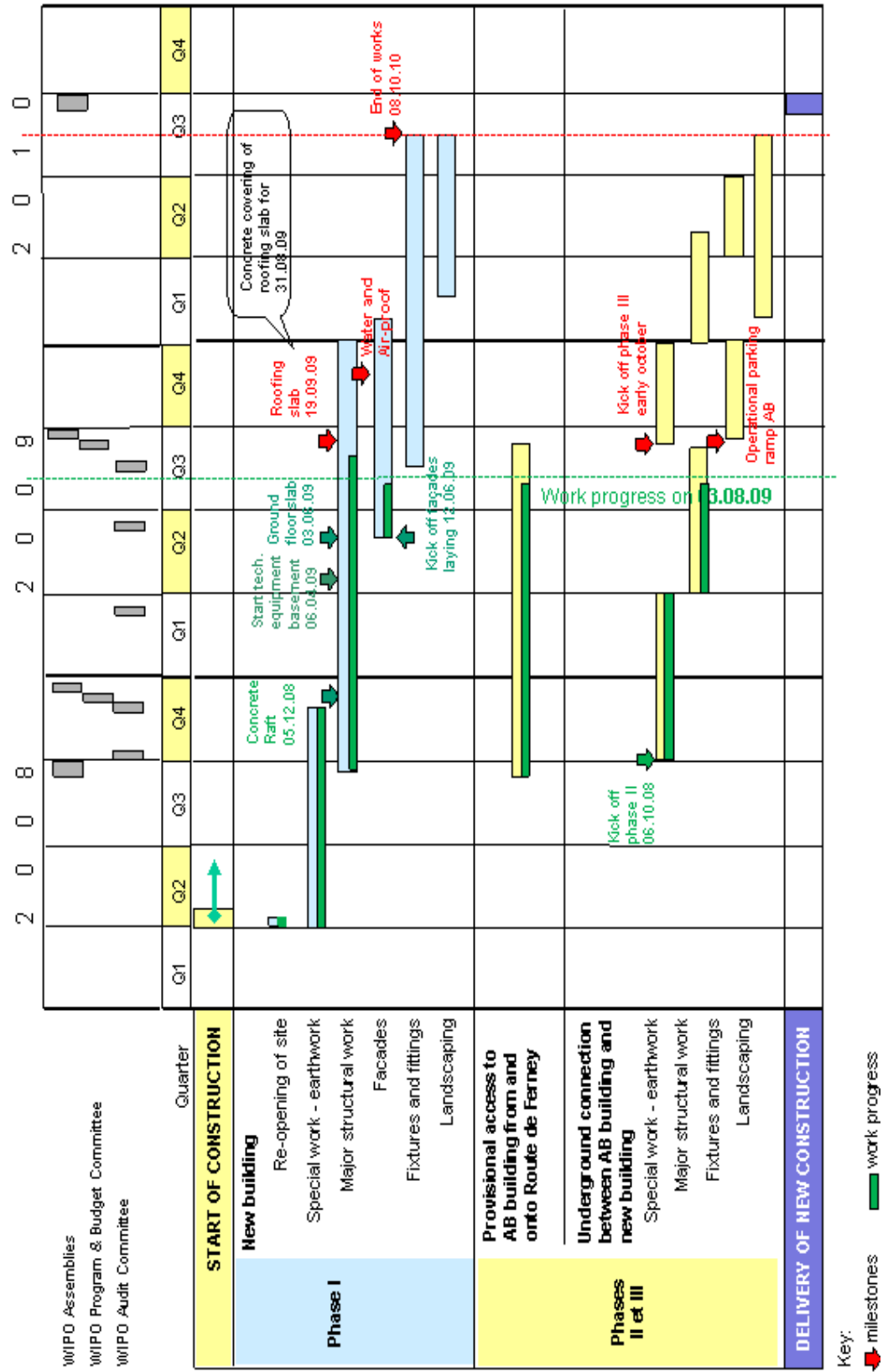
16. The New Construction Project continues to be the subject of regular audits, by the External Auditor (June-July 2009), the WIPO Audit Committee (March, June and August 2009) and the Internal Audit and Oversight Division (March and first half of 2009).

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

[Annex follows]

ANNEX

INDICATIVE CONSTRUCTION PHASE TIMETABLE FOR THE NEW CONSTRUCTION PROJECT
 April 2008 to October 2010 (update : 29.07.09)



[End of Annex and of document]