

Program and Budget Committee

Twenty-Second Session Geneva, September 1 to 5, 2014

CAPITAL MASTER PLAN PROGRESS REPORT

prepared by the Secretariat

INTRODUCTION

1. At their 51st Series of Meetings, the Assemblies of WIPO endorsed the principles under which projects are included in the Organization's Capital Master Plan (CMP), and approved funding for a total estimated amount of 11.2 million Swiss francs from available reserves for the following seven projects:

- (i) Security enhancement: data encryption and user management;
- (ii) Enterprise Content Management (ECM) Implementation;
- (iii) Renovation of the facades and cooling/heating installation of the PCT building;
- (iv) Deployment of Geneva Lake water ("GLN") cooling system to AB and PCT Buildings;
- (v) Arpad Bogsch Building – phase 1 of basement renovation (resizing of data center and renovation of the printshop);
- (vi) Arpad Bogsch Building – replacement of certain windows; and
- (vii) Safety and Fire Protection Measures.

PROGRESS TO DATE

2. The governance framework is critical for the successful implementation of all projects; it defines the structures and processes which manage and monitor the activities of the project towards the achievement of its objectives, and ensures that responsibility and accountability are clearly set out and communicated to all involved.

3. As reported in the Progress Report on the Implementation of a Comprehensive Integrated Enterprise Resource Planning (ERP) System (WO/PBC/22/15), Gartner Consulting was hired to perform an independent verification and validation review of the ERP portfolio during the second half of 2013. One of the key recommendations from the review was related to the overall governance structure of the ERP portfolio, and how to make it more responsive in terms of the segregation of roles and responsibilities and to provide a clear escalation path for the resolution of issues.

4. A revised governance structure has since been put in place for the ERP portfolio, the principles of which are also applied to the governance structure which has been put in place for the management of the portfolio of projects to be implemented under the CMP. The structure supports effective leadership and decision-making, whilst also ensuring that a consistent approach is followed across all projects of the CMP portfolio. This is critical, since (i) the CMP will involve the concurrent implementation of multiple projects, which require consistency in processes and approach, and (ii) the structures established for the governance framework must be solid, and stand the test of time, as they are foreseen to remain in place as a permanent feature of the Organization's work.

5. In line with the above, the following governance structure has been established for the CMP:

(a) At the top level, **CMP Portfolio Board** will manage, oversee and report on the implementation of the whole of the portfolio of CMP projects. This Board will also perform cross-functional oversight of the development of the rolling plan for the CMP, prioritize projects under the CMP, and clear any proposals for funding under the CMP for submission to the Program and Budget Committee.

(b) The projects implemented under the CMP are of differing scope, nature, and structure. The second tier will therefore be the various **project boards** required for each project or groups of projects. These project boards will be responsible for the governance, decisions, and changes related to the project(s) they oversee. The project board oversees effective implementation of the project(s) and ensures its implementation on time, within scope and budget. It ensures involvement and support of all impacted parties across the Organization, the appointment of groups or individuals for change authority, risk management and quality assurance. It will also perform a continuous validation of the business justification of the project(s), and escalate any issues or proposals to the CMP Portfolio Board.

6. At their 32nd session, held March 17 to 21, 2014 the Independent Advisory and Oversight Committee (IAOC) discussed the CMP with the Secretariat on the basis of document A/51/16. The IAOC provided the Secretariat with a number of valuable suggestions for improvement in the following areas:

(a) Enhanced planning and reporting – it was noted that: (i) it would be helpful to provide the key assumptions driving the CMP both from a strategic and business point of view; (ii) a four-year plan may be more appropriate to present than the current six-year plan; and that (iii) consideration should be given to aligning the reporting cycle of the CMP with that of the Program and Budget, i.e., to establish a biennial reporting cycle (progress on individual projects under the CMP would continue to be reported on annually).

(b) Transparency of cost estimates – it was suggested: (i) that more specific cost benefit analysis should be presented for proposed projects; and (ii) to include the list of projects assessed as priority B and C projects¹ in order to provide a full picture of the CMP.

(c) Link to organizational strategies – it was noted that it would be helpful to explicitly establish links of proposed projects to the implementation of the Organization's key strategies (HR strategy, ICT strategy etc., as appropriate) where appropriate.

(d) Clarity of presentation – it was suggested that the name of projects should be more descriptive, in order to enhance clarity and ease of understanding.

7. The Secretariat welcomed the constructive dialogue with the IAOC, and the opportunity for considering and introducing enhancements to the content and presentation of the CMP, which will continue to be further discussed with the IAOC prior to their implementation.

8. It is further noted that cost effectiveness in the implementation of the approved CMP projects is considered to be of paramount importance, and continued focus will be given to ensuring that project implementation is achieved as cost effectively as possible. In addition, organizational cost efficiencies will continue to be reported within the context of program performance reporting and will be directed at ensuring that related savings accrued in the course of the biennium materialize as increases in the Organization's available reserves.

9. The following decision paragraph is proposed.

10. The Program and Budget Committee took note of:

(i) the governance structure set up to manage, oversee and report on the implementation of the portfolio of CMP projects (document WO/PBC/22/21); and

(ii) the ongoing dialogue with the IAOC and the planned enhancements to the presentation of the CMP (document WO/PBC/22/21).

[End of document]

¹ **Priority A:** Projects in this category will require immediate and urgent implementation, either due to their strategic importance for the Organization, or as a result of the high risk they may represent for maintaining operations, security, health and/or safety of staff and properties.

Priority B: Projects in this category will be relatively important to implement, as they may address efficiency issues, environmental concerns, and/or generate cost efficiency gains. If not implemented, they represent medium high risk to security, health and/or safety. There may be increased costs due to deferral of works.

Priority C: Projects in this category will be those which are low risk to security, health and/or safety if not implemented. They may represent the introduction of technology that will increase cost efficiency over the long term.