

Program and Budget Committee

Thirty-third Session
Geneva, September 13 to September 17, 2021

CAPITAL MASTER PLAN FOR 2022-23

prepared by the Secretariat

BACKGROUND

1. WIPO's services and support to its Members and its customers rely on a strong foundation, including its premises and its information technology systems. The Organization requires continued capital investments in the areas of premises, safety and security, and ICT initiatives to maintain and, as necessary, to enhance this infrastructure, with the objective of remaining fit-for-purpose. Starting from 2013, the Assemblies of the Member States of WIPO have approved the funding of WIPO's Capital Master Plan, comprising capital projects financed from the Reserves.

2. An overview of the Capital Master Plan (CMP) projects approved by the Assemblies of the Member States of WIPO since 2013, is provided in Table 1.

Table 1: Overview of Capital Master Plan (CMP) projects, 2014-2021

Year of Approval	Budget (in millions of Swiss francs)	CMP Project Proposal Horizon	Comments	Reference document
2013 ¹	11.2	2014-2019	Plan covered 3 biennia (2014-15, 2016-17 and 2018-19)	WO/PBC/21/18
2017 ²	25.5	2018/19	Projects proposed in context of CMP 2018-2027	WO/PBC/27/9
2018	3.0		Supplementary projects	WO/PBC/28/13
2019	19.0	2020/21	Projects proposed in context of CMP 2020-2029	WO/PBC/30/11
2020	1.8		Supplementary projects	WO/PBC/31/12

REVISED POLICY RELATED TO RESERVES

3. The purpose of the Revised WIPO Policy related to Reserves³ was to further strengthen financial and risk management, provide enhanced guidance to the Secretariat on the on-going management of the Reserves including target levels and liquidity, and clarify the requirements for reporting on Reserves. The revised policy included a set of revised principles on the use of the Reserves and Working Capital Funds (RWCF) and guidelines pertaining to the calculation of available amounts (Principles 1 and 2).

4. In addition to providing guidelines applicable to the financial aspects of managing the Reserves, the revised Policy Principle 3 requires that projects financed from the Reserves be for extraordinary, one-time capital projects. Principle 3 further provides that projects included in the CMP may be defined as projects related to construction/refurbishment and Information and Communication Technology (ICT) that are needed to keep the Organization's facilities and systems fit-for-purpose through significant expansion or additions.

5. Principle 4 requires that the proposals for use of the Reserves should be prepared in a comprehensive manner including, *inter alia*, information on full lifecycle costs of the projects, expected benefits, and the impact on cash flows and liquidity levels of the Reserves. Lastly, Principle 5 provides guidance with regards to the time-horizon for the implementation of proposed projects.

STATUS OF CAPITAL MASTER PLAN PROJECTS FINANCED FROM THE RESERVES

6. Regular reporting on the status of implementation of individual Capital Master Plan projects is included in the annual and biennial WIPO Performance Reports (WPRs) submitted to the PBC. The progress of each project as at end 2020 is included in the WPR for 2020⁴, Annex IX.

7. Table 2 provides, for each ongoing project, an update on the status of budget utilization as at May 31, 2021, and projected expenditure for the remainder of 2021.

¹ The Policy on Reserves and Principles applied in Respect of Use of Reserves as defined in document WO/PBC/15/7 Rev. provided the background for the CMP Proposal approved for 2014-19.

² The Revised WIPO Policy related to Reserves as defined in document WO/PBC/23/8, provided the background for the CMP Proposals approved for 2018 onwards.

³ Document WO/PBC/23/8

⁴ Document WO/PBC/32/2

Note: Figures in tables may not add up due to rounding.

Table 2: Status of CMP Projects
(in thousands of Swiss francs)

	Total Project Budget	Cumulative Expenditure to Dec 31, 2020	Remaining Balance in Special Projects Reserve Dec 31, 2020	To be Returned to Accumulated Surpluses	2021 Estimated Expenditure		Projected Special Projects Reserve Dec 31, 2021
					Actual Expenditure ¹ as at May 31	Estimated Expenditure June 1 - Dec 31	
Capital Master Plan Projects (A/51)							
Security Enhancement Data Encryption and User Management	700	543	157	-	128	30	-
Enterprise Content Management (ECM) ²	2,068	2,068	0	0	-	-	-
Sub-total CMP (A/51)	2,768	2,611	157	0	128	30	-
Capital Master Plan Projects (A/57)							
WIPO IP Portal - Phase I ²	4,547	3,566	981	981	-	-	-
PCT Resilient and Secure Platform - Phase I	8,000	4,453	3,547	-	809	1,341	1,397
Madrid IT Platform	6,000	58	5,942	-	293	697	4,952
Integrated Conference Services Platform	930	214	716	-	22	269	425
Multi-Media Studio ³	2,360	2,308	52	-	9	43	-
Power Outage Mitigation in AB Building - Phase I ²	700	444	256	256	-	-	-
Elevators in AB Building - Phase I	430	184	246	-	30	216	-
Dynamic Incident Management (DIM)	400	99	301	-	21	85	195
Sub-total CMP (A/57)	23,367	11,325	12,042	1,238	1,184	2,652	6,968
Supplementary Capital Master Plan Projects (A/58)							
Migration of Email to the Cloud	912	506	406	-	246	160	-
Establishment of a Long-term Capability for WIPO to Utilize Cloud Service Providers and Migration of Legacy Applications	2,095	1,482	612	-	129	483	-
Sub-total CMP (A/58)	3,007	1,988	1,019	-	375	643	-
Capital Master Plan Projects (A/59)							
WIPO IP Portal - Phase II	6,960	2,536	4,424	-	1,088	3,336	-
Hague Externalization Project	3,001	704	2,296	-	335	741	1,220
ECM Implementation - Phase II	2,718	577	2,141	-	359	622	1,159
Web CMS Technology Replacement	911	69	841	-	84	757	-
Treasury Management System (TMS)	250	-	250	-	67	183	-
Power Outage Mitigation (AB and GB Buildings) - Phase II	1,750	782	968	-	50	478	440
Modernization of Elevators Motorization Systems - Phase II	1,420	57	1,363	-	22	1,068	273
Fire and Gas Safety	325	48	277	-	-	189	88
Renewal of Critical Physical Security Systems Hardware	602	353	249	-	25	191	33
Upgrade of Critical SSSC Security ICT Systems	447	94	354	-	195	117	42
Sub-total CMP (A/59)	18,383	5,220	13,162	-	2,225	7,683	3,254
Supplementary Capital Master Plan Projects (A/61)							
EPM 2nd Generation Cloud Based	825	-	825	-	-	413	413
Establishment of a Long-term Capability for WIPO to Utilize Cloud Service Providers and Migration of Legacy Applications - Phase II	560	-	560	-	202	358	-
Security Enhancement, Data Encryption and User Management Phase II - Identity Access Governance (IAG)	407	-	407	-	-	204	204
Sub-total CMP (A/61)	1,792	-	1,792	-	202	974	616
Total Reserve Funded Projects	49,316	21,144	28,173	1,238	4,114	11,982	10,838

¹ 2021 Actual expenditure excludes pre-encumbrances and encumbrances.

² These projects have been completed. They will be closed and their remaining budget balances will be returned to the Accumulated Surpluses.

³ Multi-media studio includes additional budget of 660,000 Swiss francs, approved in A/59 (document A/59/7) for the finalization of the project.

8. At the end of 2020, the remaining balance in the Special Projects Reserves amounted to 28.2 million Swiss francs. It is estimated that 1.2 million Swiss francs in the Special Project Reserves will no longer be required and will therefore be returned to the Reserves in 2021. This is on account of the following projects that were completed under budget: (i) the completion of WIPO IP Portal Phase I (981,384 Swiss francs); (ii) the completion of the Enterprise Content Management project (192 Swiss francs); and (iii) the completion of the Power Outage Mitigation in AB Building Phase I (256,482 Swiss francs).

UPDATE ON THE PROJECT FOR THE PROVISION OF DAYCARE SERVICES

9. As regards the project for the provision of daycare services, the Secretariat embarked in 2019 on a two-track approach consisting of a two-year pilot covering the school years 2019-2020 and 2020-2021, and the exploration of options for a long-term solution⁵.

10. The two-year pilot program was launched in September 2019 with a daycare facility located near the WIPO campus in Geneva. During the 2019-2020 school year, a total of 11 children of WIPO staff members were enrolled in the daycare facility and during the 2020-2021 school year, a total of 10 children were enrolled. The cost for the two-year pilot is estimated at 174,000 Swiss francs.

11. With respect to the exploration of a long-term solution for the provision of daycare services, and following discussions with the Director Generals of WIPO and UNOG at the end of 2019, a feasibility study was conducted for a joint UNOG-WIPO daycare facility project. To this end, a potential plot of land was identified on the UNOG compound that could be the subject of a long-term (90-year) lease to WIPO. The management of the daycare services would be handed over to the pre-school (daycare or “crèche”) services (“*Petite Enfance*”) of the city of Geneva, and WIPO would be responsible for both the financing and management of the construction project⁶.

12. Considering lessons learned during the COVID-19 pandemic, and in due consideration of the “new normal” working arrangements, in particular with respect to remote working, the Secretariat has decided to suspend the above-mentioned WIPO-UNOG joint project in order to revalidate the scope and specifics of the future daycare services. WIPO, like many organizations, envisages greater use of flexible working arrangements by staff following the COVID-19 pandemic, which may change patterns of demand for crèche facilities. The Secretariat also wishes to review the overall costs of such a project against the expected benefits, given the importance attached to responsible and prudent investment of WIPO’s Reserves. An update will be presented to the 34th session of the PBC. In order to offer uninterrupted service to families interested in WIPO’s offer for daycare services, the Secretariat has extended the pilot program for the 2021-2022 school year.

UPDATE ON THE PROJECT FOR ADDITIONAL OFFICE SPACE

13. Regarding the need for additional office space to meet the longer-term needs of the Organization, the Secretariat has taken stock of the impact of the COVID-19 pandemic on traditional office-based working arrangements. In this context, the Secretariat no longer identifies a need for office capacity beyond that provided in the four buildings located next to the Place des Nations. In addition, WIPO’s approaches to crisis management and business continuity have changed since the COVID-19 pandemic, to more distributed models, facilitated by IT technology. The Secretariat has therefore decided that the lease on the CAM building will be terminated at the end of 2021. This will save the Organization approximately one million Swiss Francs per annum, and the saving has been reflected in the proposed Program of Work and Budget for the biennium 2022/23⁷.

⁵ WO/PBC/30/11 paragraphs 11 to 13.

⁶ Two options were short-listed with an estimated cost of between 5.4 million and 7.4 million Swiss francs for the construction project only, each for 60 to 100 children in various age groups.

⁷ WO/PBC/33/10

CAPITAL MASTER PLAN (CMP) 2022-23

CAPITAL MASTER PLAN 2022-23, DRIVERS

14. The CMP 2022-23 continues to be based on the main drivers for capital investment projects, as detailed below, in order to ensure WIPO remains fit-for-purpose. The drivers also facilitate the assessment of whether projects meet the principles mandated by the Revised WIPO Policy related to Reserves outlined above.



- **Business need** - building or acquiring new assets, which will enable the Organization to improve or expand services delivered to Member States and WIPO's customers.
- **Cost efficiency** - taking advantage of new technology, equipment and systems improvements to reduce recurring operating expenses.
- **Accessibility** - investing in initiatives to make WIPO's premises and services accessible to all stakeholders, including persons with disabilities.
- **Lifecycle** - effective lifecycle management of equipment and facilities assets, including essential refurbishment and renovation works or renewal of worn assets, to prevent risks related to safety and non-operability of such assets.
- **Environment** - investing in renewable energy initiatives, which will reduce WIPO's carbon emissions footprint.
- **Regulations** - implementing projects to ensure organizational compliance with Swiss federal and local regulatory frameworks, as well as UN adopted guidelines.
- **Security, safety and information assurance** - implementing preventive and protective measures to reduce WIPO's vulnerability in case of threats and to safeguard WIPO staff, delegates and visitors as well as WIPO's physical and information assets.

CAPITAL MASTER PLAN 2022-23, A TRANSITION

15. In 2020, the External Auditor conducted a performance audit of projects financed from the Reserves. The External Auditor will present the results of the audit as part of his Report on the 2020 WIPO Financial Statements to the 33rd Session of the PBC in September 2021.

16. The recommendations of the External Auditor can be grouped into three main themes with associated recommendations as follows:

Strategic Focus	Governance	Project Planning
<ul style="list-style-type: none"> • WIPO should consider mapping the individual [CMP] projects against WIPO's core objectives and ranking them to enable Member States to better understand the priority areas for investment. • WIPO should consider greater integration of the CMP with its medium-term strategy. • WIPO, in consultation with Member States, should reconsider the criteria for the Special Project investments to keep focus on their special and significant nature and make budget provisions for wider generic renewal investments and smaller initiatives through the normal budgeting process. 	<ul style="list-style-type: none"> • Member States may wish to establish thresholds for projects included in the CMP to make the plan efficient and focused on the main strategic investment initiatives and to establish different assurance and reporting requirements to mirror the proportionality and scale of the project. 	<ul style="list-style-type: none"> • WIPO should consider whether the content of PIDs could be enhanced to provide: <ul style="list-style-type: none"> - Better option appraisal analysis including, where relevant, outsourcing options; - Clear articulation of the baseline position and target outcomes for subsequent evaluation and to help measure the achievement of value for money; - Greater articulation of the full costs, including, life-cycle costs of the projects; and, - Appropriate risks to the achievement of the project's objectives together with realistic mitigation actions to determine the real level of residual risks.

17. The Secretariat embraces the External Auditor's recommendations as key enablers to enhance strategic focus, improve governance and strengthen project planning. In this context, the Secretariat recognizes that the CMP Proposal included in this document is presented as a transitional proposal, addressing, to the extent possible recommendations pertaining to:

- **Strategic Focus:** Mapping the individual projects against WIPO's core objectives and integration with the mid-term strategic plan (MTSP);
- **Project Planning:**
 - i. Clearly articulating baseline position and target outcomes for subsequent evaluation of achievement of expected benefits; and
 - ii. Improved evaluation of full project-related costs, including lifecycle costs.

It is noted that, upon approval of the CMP proposal by the Member States, the Secretariat will embed all other recommendations pertaining to Project Planning, including appraisal analysis and risk management, into the Project Initiation Documentation (PIDs).

18. With the objective of addressing the External Auditor's recommendations pertaining to the criteria determining Special Project investments financed from the Reserves and their Governance in a strategic, comprehensive and sustainable manner, the criteria will be reviewed and updated and will form the basis for CMP proposals in future cycles.

19. In addition, the threshold for projects to be financed from the Reserves and their ranking will also be addressed in future CMP proposals. The differentiation in reporting requirements will be implemented for both ongoing and future projects in the context of the WIPO Performance Reports.

PROPOSAL FOR RESERVE FUNDING FOR CMP PROJECTS IN THE BIENNIUM 2022/23

Based on identified ICT, safety and security needs, the projects proposed for funding from the Reserves in the biennium 2022/23 are summarized in Table 3.

Table 3: Capital Master Plan 2022-23
(in thousands of Swiss francs)

Projects	Total
<u>ICT Related Projects</u>	
WIPO IP Portal - Phase III	7,531
PCT Resilient and Secure Platform (RSP) - Transition Phase ¹	800
Establishment of a Long-term Capability for WIPO to Utilize Cloud Service Providers and Migration of Legacy Applications - Phase III	2,750
AIMS 2.0 Transformation - Phase I	2,900
Conference Systems Upgrade	2,594
Enterprise Service Management (ESM)	1,500
Data Management and Governance	1,000
Sub-total ICT Related Projects	19,074
<u>Safety and Security Related Projects</u>	
Strong Modern Authentication	897
Total	19,971

¹ Excludes the cloud component of the RSP

20. The total estimated one-time cost of the proposed key priority projects in 2022/23 amounts to 19.971 million Swiss francs.

21. Each proposed project/project-phase is self-contained. The approval of the projects for implementation in 2022/23 does, therefore, not prejudice any future decisions on funding projects/project-phases in subsequent biennia. A detailed description of each of the proposed projects to be financed from the Reserves is included in Annex I.

STATUS OF THE UTILIZATION OF RESERVES

22. The first principle (Principle 1) set out for use of the Reserves in the Revised Policy Related to the Reserves pertains to the availability of amounts above the reserve target level. The balance of Reserves in excess of the mandated reserve target level and the Special Projects Reserve is estimated at 358.7 million Swiss francs at the end of 2021. For the purposes of prudence, the calculation of available reserves excludes: (i) the Working Capital Funds and Revaluation Reserve Surplus, as per Principle 2 of the Revised Policy on Reserves; and (ii) the projected Overall Result after Reserve Expenditure for 2021.

Table 4: Estimated Status of Reserves end 2021
(in millions of Swiss francs)

Total Reserves¹ at 31.12.20 (actuarial gains/(losses) ² excluded)	593.8
<i>of which:</i>	
Accumulated Surpluses at 31.12.20	565.6
Special Projects Reserve at 31.12.20	28.2
<i>Estimated Movements of Special Projects Reserve in 2021</i>	
Estimated to be Returned to Accumulated Surpluses	(1.2)
Estimated Expenditure on Projects Financed from the Reserves in 2021	(16.1)
Proposed CMP Projects	20.0
Special Projects Reserve (estimated) at 31.12.21	30.8
Total Reserves (estimated) excluding Special Projects Reserve at 31.12.21	563.0
RWCF Target 2022/23³	204.3
Balance of Reserves in Excess of Reserve Target Level⁴	358.7

¹ Excluding Working Capital funds (WCF) and Revaluation Reserve Surplus

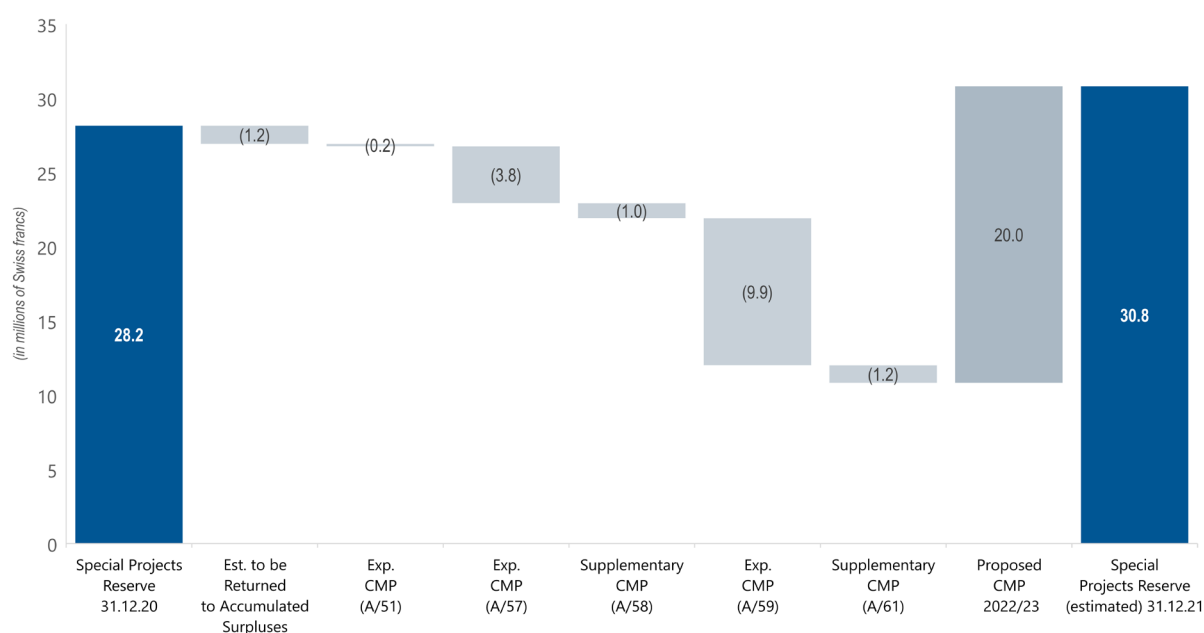
² Actuarial gains/(losses) at 31.12.20 amounted to -233.4 million Swiss francs.

³ Reserve target is based on targets for the Unions determined in the Revised Policy on Reserves i.e. 25.8% of the total 2022/23 biennial budget of 790.8 million Swiss francs.

⁴ Does not take into account the projected Overall Result after Reserve Expenditure for 2021.

23. As illustrated in Table 4, the proposed funding of 19.971 million Swiss francs for the CMP projects in 2022/23 can be absorbed without affecting the required target level of Reserves, as the projected balances can prudently accommodate the expenditures under the proposed projects. In addition, the estimated movements of the Special Projects Reserve in 2021 is illustrated in the diagram below.

Estimated Movements Status of Reserves end 2021
(in millions of Swiss francs)



24. It should be noted that, as the Organization's financial statements are prepared on an IPSAS basis, expenditure on Information Technology (IT) projects will be capitalized where it meets the required recognition criteria. For each project, a determination will be made on

whether capitalization is allowable under IPSAS, as detailed information on the costs and scheduled implementation become available. Where a project is capitalized, the expenditure is recognized over the useful life of the resulting asset once the project has reached completion and is available for use. In these cases, the impact of the expenditure on the Organization's reserves is, therefore, deferred over a longer period through an annual amortization or depreciation charge, as opposed to an immediate impact as the project is implemented.

ALLOCATION OF PROPOSED CMP 2022/23 PROJECTS TO THE UNIONS

25. The CMP projects proposed for financing from the Reserves in 2022/23 are allocated to the Unions based on the extent to which they directly or indirectly benefit the Union(s):

WIPO IP Portal - Phase III

- Indirectly benefits the fee-funded Unions
- Cost allocated as indirect Union expenditure to the fee-funded Unions
(*capacity to pay principle*)

Resilient Secure Platform for PCT – Transition Phase Excluding Cloud Hosting

- Directly benefits the PCT Union
- Cost allocated as direct Union expenditure to the PCT Union

Establishment of a Long-term Capability for WIPO to Utilize Cloud Service Providers and Migration of Legacy Applications – Phase III

- Some applications directly benefit specific Unions – the associated costs are allocated as direct Union expenditure
- The cost of applications benefiting the Organization and the IP Office Business Solution Division are allocated as indirect administrative and indirect Union expenditure respectively (*capacity to pay principle*)

AIMS 2.0 Transformation – Phase I

- Indirectly benefits all Unions
- Cost allocated as indirect administrative expenditure to all Unions
(*capacity to pay principle*)

Conference Systems Upgrade

- Indirectly benefits all Unions
- Cost allocated as indirect administrative expenditure to all Unions
(*capacity to pay principle*)

Enterprise Service Management

- Indirectly benefits all Unions
- Cost allocated as indirect administrative expenditure to all Unions
(*capacity to pay principle*)

Data Management and Governance

- Indirectly benefits all Unions
- Cost allocated as indirect administrative expenditure to all Unions
(*capacity to pay principle*)

Strong Modern Authentication

- Indirectly benefits all Unions
- Cost allocated as indirect administrative expenditure to all Unions
(*capacity to pay principle*)

26. Table 5 provides an overview of the allocation of the costs of the proposed projects by Union. Table 5a provides an overview of the estimated movements of the Special Projects Reserve by Union in 2021. It should be noted that the estimated level of the Reserves at the end of 2021 by Union does not take into account the projected Overall Result after Reserve Expenditure for 2021 (please see paragraph 22).

27. As the Reserve balances for the Lisbon and the Hague Unions were in deficit at the end of 2020, the indirect Union and indirect administrative costs are allocated to the Contribution-Financed (CF), PCT and the Madrid Unions.

Table 5: Estimated Status of Reserves end 2021 by Union
(in thousands of Swiss francs)

	CF Unions	PCT Union	Madrid Union	Hague Union	Lisbon Union	Total
Total Reserves¹ at 31.12.20 (actuarial gains/(losses) ² excluded)	22,902	545,882	84,245	(55,265)	(3,990)	593,774
<i>of which:</i>						
Accumulated Surpluses at 31.12.20	22,718	528,027	76,583	(57,737)	(3,990)	565,601
Special Projects Reserve at 31.12.20	184	17,855	7,662	2,471	-	28,173
<i>Estimated Movements of Special Projects Reserve in 2021</i>						
Estimated to be Returned to Accumulated Surpluses	(4)	(1,119)	(115)	-	-	(1,238)
Estimated Expenditure on Projects Financed from the Reserves in 2021	(127)	(12,444)	(2,274)	(1,251)	-	(16,096)
Proposed CMP Projects	218	17,577	2,117	60	-	19,971
Special Projects Reserve (estimated) at 31.12.21	271	21,869	7,390	1,280	-	30,809
Total Reserves (estimated) excluding Special Projects Reserve at 31.12.21	22,632	524,013	76,855	(56,545)	(3,990)	562,964
RWCF Target 2022/23³	21,281	141,186	36,704	5,118	-	204,290
Balance of Reserves in Excess of Reserve Target Level⁴	1,351	382,827	40,151	(61,664)	(3,990)	358,675

¹ Excluding Working Capital funds (WCF) and Revaluation Reserve Surplus

² Actuarial gains/(losses) at 31.12.20 amounted to -233.4 million Swiss francs.

³ Reserve target is based on targets for the Unions determined in the Revised Policy on Reserves i.e. 25.8% of the total 2022/23 biennial budget of 790.8 million Swiss francs.

⁴ Does not take into account the projected Overall Result after Reserve Expenditure for 2021.

Table 5a: Estimated Movement of Special Projects Reserve in 2021 by Union
(in thousands of Swiss francs)

	CF Unions	PCT Union	Madrid Union	Hague Union	Lisbon Union	Total
Special Projects Reserve at 31.12.20	184	17,855	7,662	2,471	-	28,173
<i>Estimated Movements of Special Projects Reserve in 2021</i>						
Estimated to be Returned to Accumulated Surpluses	(4)	(1,119)	(115)	-	-	(1,238)
Estimated Expenditure on Projects Financed from the Reserves in 2021						
Capital Master Plan Projects (A/51)	(3)	(140)	(14)	-	-	(157)
Capital Master Plan Projects (A/57)	(12)	(2,772)	(1,052)	-	-	(3,836)
Supplementary Capital Master Plan Projects (A/58)	(17)	(707)	(204)	(91)	-	(1,019)
Capital Master Plan Projects (A/59)	(75)	(7,961)	(796)	(1,076)	-	(9,908)
Supplementary Capital Master Plan Projects (A/61)	(20)	(865)	(208)	(83)	-	(1,176)
Sub-total Estimated Expenditure	(127)	(12,444)	(2,274)	(1,251)	-	(16,096)
Proposed CMP Projects	218	17,577	2,117	60	-	19,971
Special Projects Reserve (estimated) at 31.12.21	271	21,869	7,390	1,280	-	30,809

IMPACT ON CASH FLOWS AND LIQUIDITY LEVELS OF THE RESERVES

IMPACT ON CASH FLOW

28. After setting aside the operational reserve target of 25.8 per cent of the Program and Budget (198.0 million Swiss francs for 2020/21) and the Reserves established for the funding of after-service employee benefit liabilities (Strategic Cash amounting to 190.2 million Swiss francs at the end of 2019, and 211.2 million Swiss francs at the end of 2020), the balance of Core Cash, including the Special Projects Reserve, is as follows:

Table 6: Reserves as per Investment Policy
(in millions of Swiss francs)

	31-Dec-20	31-Dec-19
Total Cash and Investments	932.0	754.1
Operating Reserve (RWCF target 2018/19 and 2020/21)	198.0	160.4
Strategic Cash	211.2	190.2
Core Cash*	522.8	403.5

* Core Cash includes the Special Projects Reserve

29. The balance of cash and investments increased by 177.9 million Swiss francs between December 31, 2019, and December 31, 2020. The Organization retains sufficient liquidity available for cash requirements.

30. In accordance with WIPO's Investment Policy, the Core Cash balance is invested while ensuring that sufficient cash is made available to meet contingencies should it be required. In addition, WIPO's cash balances are replenished on an annual basis with operating surpluses.

LIQUIDITY LEVELS OF THE RESERVES

31. The liquid portion of WIPO's net assets has been defined as the excess of its current assets over its current liabilities after certain adjustments are made based on IPSAS requirements. The position of the liquid portion of the net assets has moved from 396.2 million Swiss francs at the end of 2019 to 544.6 million Swiss francs at the end of 2020.

32. During 2019 and 2020, the Organization continued to make significant investments as part of its Policy on Investments. In the 2019 and 2020 Annual Financial Statements, the portion of Core and Strategic Cash invested is included in non-current assets, since the Organization plans to hold these balances in investments, which exceed a one-year timeframe in order to maximize return while preserving capital. The Strategic Cash is invested for the longer term, resulting in a reduction of liquid reserves. The Core Cash has been invested in such a way as to ensure that the funds remain available should they be required to meet any contingencies. Therefore, for the calculation of Reserve liquidity, the Core Cash investments are considered liquid. However, it is important to note that the Core Cash is invested with the objective of generating a positive return over rolling five-year periods.

33. The other adjustment made to the calculation of the liquid portion of net assets concerns advance receipts, net of the current asset Accounts Receivable PCT. Unlike other liabilities, advance receipts represent deferred revenue already received in cash, which will form part of WIPO's revenue and surplus within a period of 12 months or less. Therefore, the cash portion of advance receipts are not considered an offset to WIPO's liquid assets, since they do not result in any outflow of cash resources.

Table 7: Evolution of Net Liquid Reserves
(in millions of Swiss francs)

	31-Dec-20	Position after Adjustments 31-Dec-20	31-Dec-19	Position after Adjustments 31-Dec-19
Current Assets	327.0		300.0	
Core Cash non-current investments		471.7		354.5
Accounts Receivable PCT		(53.1)		(59.1)
Net liquid current assets		745.6		595.4
Current Liabilities*	518.8		513.0	
Adjustment for advance receipts		(317.8)		(313.8)
Net liquid current liabilities		201.0		199.2
Net current assets	(191.8)		(213.0)	
Liquid portion of net assets		544.6		396.2

* The 2019 comparative presentation has been amended by a reclassification of 24.2 million Swiss francs of employee benefits from current liabilities to non-current liabilities.

34. WIPO's available cash and the liquid element of its reserves are both more than sufficient to fully finance the level of cash outflow proposed for the CMP projects and the balances of the existing CMP projects.

CMP PROJECTS FOR THE BIENNIUM 2022/23 AND RESERVE POLICY PRINCIPLES

35. The below provides a synopsis of the analysis of compliance for each of the principles contained in the Revised Policy related to Reserves for the use of the Reserves.

PRINCIPLE 1: Proposals for the use of the RWCF should only pertain to the amounts available in the RWCF exceeding the target level required by WIPO's Policy on Reserves. This is applicable both at the level of individual Unions as well as at the level of the Organization as a whole.

Compliance with Principle 1: The balance of the Reserves (excluding WCF, Revaluation Reserve Surplus and actuarial gains/(losses) as at end 2020 amounted to 593.8 million Swiss francs. The Balance of Reserves in Excess of the Target Level, is estimated at 358.7 million Swiss francs at the end of 2021. The proposed funding of CMP projects in the biennium 2022/23 amounting to 19.971 million Swiss francs is, therefore, well within the estimated balance.

PRINCIPLE 2: The calculation of the available Reserves will be based on the information on the RWCF levels contained in the most recent financial statements and must take into due consideration the actual, committed and planned expenditures from reserves for the financial period(s) during which the proposed project will be implemented. The Revaluation Reserve

Surplus (which arises from the revaluation of the land on which the new building has been constructed) and the Working Capital Funds (which were established through Member States contributions) will be excluded from the calculation of the amounts available in excess of the RWCF target.

Compliance with Principle 2: The calculation of the available Reserves excludes the WCF and Revaluation Reserve Surplus (Tables 4 and 5 refer).

PRINCIPLE 3: Proposals for the use of available Reserves should be limited and for one-time projects for capital improvements and exceptional circumstances, as decided upon by the Assemblies of the Member States and of the Unions, each as far as it and its available reserves are concerned. Capital projects would typically be identified in a long-term capital master plan and may be defined as projects related to construction/refurbishment and Information and Communication Technology that are needed to keep an Organization's facilities and systems fit-for-purpose through significant expansion or additions.

Compliance with Principle 3: The proposed projects are one-time, key capital investments related to ICT and safety and security. The descriptions of projects and their drivers are included in Annex I.

PRINCIPLE 4: Proposals for the use of the Reserves should be prepared in a comprehensive manner with information on full lifecycle costs of the projects, estimated benefits (which may be both financial and qualitative in nature), recurring expenditures that the Organization will be committed to budgeting for as part of the regular budget in subsequent biennia, and the impact on cash flows and liquidity levels of the Reserves.

Compliance with Principle 4: Table 3 and Annex I provide a comprehensive overview of the key capital investments foreseen in 2022/23 for ICT and safety and security, including the full one-time cost for each project and/or project phase. The estimated WIPO Personnel cost during project implementation and the annual recurring cost(s) for each project are also included in Annex I as per the External Auditor's recommendation.

In addition, the CMP 2022-23 proposal is not estimated at having any negative impact on cash flows and liquidity levels of the Reserves (please see paragraphs 28 to 34).

PRINCIPLE 5: Proposals for the use of the Reserves may be for projects and initiatives that are outside the biennial financial period of the Organization and may cut across, or last for, more than one biennia.

Compliance with Principle 5: Subject to the WIPO Assemblies' approval of the proposed CMP 2022/23 projects/project phases, implementation of the projects may start in the 4th quarter of 2021 and continue in the biennium 2022/23.

36. The following decision paragraph is proposed.

37. The Program and Budget Committee (PBC), noting that this proposal constitutes a transitional proposal towards fully implementing the recommendations from the

External Auditor, recommended to the Assemblies of WIPO, each as far as it is concerned, to approve, from the WIPO Reserves, the funding of the projects presented in the CMP 2022-23 for the biennium 2022/23, amounting to a total of 19.971 million Swiss francs.

[Annex follows]

ANNEX I – CMP Proposals

ICT RELATED PROJECTS

WIPO IP PORTAL - PHASE III

Business Case

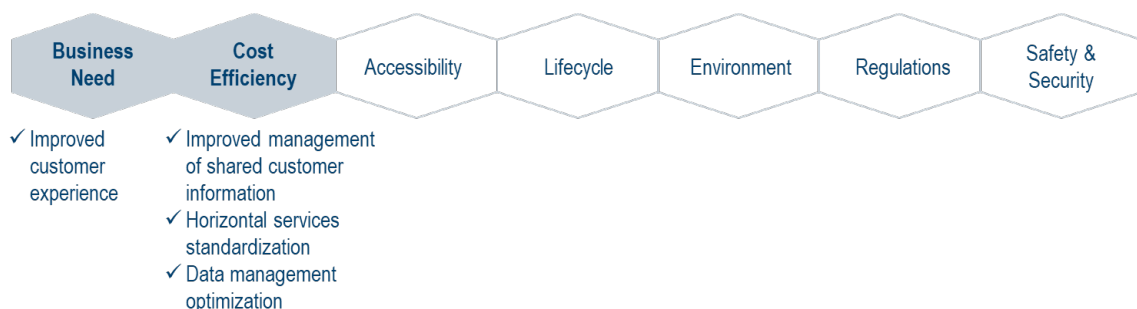
WIPO has invested in a single-entry platform for the users of WIPO digital services and in particular, fee-paying services. The WIPO IP Portal was launched in September 2019, providing access to IP online services via a single WIPO Account for each user, a seamless navigation, a common user interface and a central payment process. The WIPO IP Portal is being deployed using a phased implementation strategy.

A consolidated and more uniform customer experience has been achieved through the implementation of Phase I, being essential given the growth in the number of users of WIPO services and the enhanced reliance by the Organization on ICT for providing its services. Phase I has provided a single, simple and effective platform for WIPO's customers to be informed of and to use WIPO's full range of services, including new or less experienced customers such as micro, small and medium-sized enterprises particularly in developing countries. Phase II has continued to build on the foundations established in Phase I, delivering a new version of the WIPO IP Portal that includes new and improved functionalities, provides a design that enhances customer experience and introduces customer self-service capabilities. The WIPO IP Portal has also been focusing on further digital transformation activities, increasing automation in software development processes and implementing consistent data analytics.

Phase III of the WIPO IP Portal Program is proposed to mature further the IP Portal capabilities into established and well embedded Organizational products, aiding the Organization's digital transformation strategy and contributing to the provision of world class services. It can be split into four distinct projects and activities that relate to the Organization's strategic pillars and results:

- Customer Relationship Management (CRM) project
- Customer Experience Management (CX) project
- IP Analytics Platform project
- Technical Standardization

Drivers



Project Objectives

The WIPO IP Portal aims to achieve the following objectives:

- Introduce a single entry portal to users of WIPO IP online services via a single WIPO Account for each user and implement a user-friendly navigation policy, a common user interface and a central payment process;
- Develop an integrated approach to data processing in order to mitigate the processing overheads that would otherwise be associated with fragmented and independent data processing solutions within each service's IT systems;
- Build upon ICT investments and provide opportunities to make more strategic, cross-sector ICT decisions, facilitate cost containment in ICT investments and improve scalability in business solutions while assuring operations and data quality are not compromised;
- Deliver a consistent, engaging and intuitive customer experience (CX) that would contribute to building WIPO's brand awareness, foster positive brand perception and improve visibility of WIPO services, promoting them to a broader customer base and increasing their usage;
- Implement consistent data analytics to provide an automated and accurate measure of the number of users and visitors of the services that can be compared over time, which will improve data driven insights and enable more informed decision making; and
- Establish an Organizational Customer Relationship Management (CRM) solution, enabling a common approach to customer related data and contact management, including the standardization of customer communication channels and the consolidation of customer feedback management.

Link to WIPO's Expected Results and Medium-term Strategic Plan (MTSP)

Expected Result	Project Contribution
<i>Strategic Pillar 3</i>	<i>Provide high quality intellectual property services, knowledge and data that deliver value to users around the world</i>
3.1 Wider and more effective use of WIPO's global IP systems, services, knowledge and data	<ul style="list-style-type: none"> - Increase the ease of use of WIPO services - Leverage WIPO IP Portal's promotional capability to market WIPO's IP services
3.2 Improved productivity and service quality of WIPO's global IP systems, services, knowledge and data	<ul style="list-style-type: none"> - Harmonize the way in which users can discover, access and interact with WIPO services (IP services and additional horizontal services such as support and account management) - Address quality issues with customer related data
<i>Foundation</i>	<i>Empower our people to work effectively, collaboratively and innovatively by providing them with the right resources, training and environment</i>
5.2 Digitally enabled, secure and sustainable operating environment and service	<ul style="list-style-type: none"> - Evolve the data platform and analytics environment, in line with existing and future policies on governance and data management
5.3 Sound and prudent financial management and effective corporate governance and oversight	<ul style="list-style-type: none"> - Improve reporting & analytics as an enabler of informed decision making

Expected Benefits, including Baselines and Targets

The expected benefits and measurements of success of the third phase of the WIPO IP Portal Program are summarized below:

Benefit Description	KPIs	Baseline	Target for Phase III
A cohesive and uniform customer experience across the breadth of WIPO's external facing ICT systems	Alignment to IP Portal minimum standards from the IP Portal Matrix (Common Look and Feel, Common Navigation, ePay v2 and WIPO Account)	69% in May 2021	100% for the ICT systems applicable
Increased ease of use and improved customer experience for users of WIPO's external facing ICT systems	Customer satisfaction score	82% in Feb 2021	≥ 85% satisfied or very satisfied
	Ease of use score	80% in Feb 2021	85%
Ease of payment for customers using modern financial transaction processing facilities and enabling the availability of consolidated payment information	Number of users using the payment widgets	603 users on average in Q2 2021	5,000 users
	Customer satisfaction score for services provided through the ePay2	87% in Feb 2021	90%
Increased positive perception of WIPO services and brand recognition	Customer satisfaction score	58% in Feb 2021	≥ 85% satisfied or very satisfied
Enhanced customer data quality and customer relationship management	Number of ICT systems using common customer data	0 in June 2021	tbc under CRM project in Phase III
Increased customer satisfaction with WIPO's service provision	Customer satisfaction score	84% in Feb 2021	≥ 85% satisfied or very satisfied
Increased contribution to innovation and creativity for the benefit of all by making WIPO's services more accessible to SMEs and individual businesses, particularly in developing countries	Average daily number of users* of a service from developing countries	59,000/day on average in Q2 2021**	20% increase****
	Average daily number of new users* of a service from developing countries accessing the service through the WIPO IP Portal	23/day on average in Q2 2021**	100% increase
Increased number of visitors and users of the services integrated with the WIPO IP Portal	Average daily number of users and visitors per service	81,000/day on average (for all the services) in Q2 2021***	20% increase****
	Average daily number of new users and visitors per service accessing the service through the WIPO IP Portal	68/day on average (for all the services) in Q2 2021***	100% increase

* Users that are identified as belonging to SMEs and individual businesses from developing countries

** No specific data for SMEs and individual businesses was available in Q1 2021

*** A detailed list per service is available upon request

**** The target relies not only on the IP Portal program activities but also on the business units biennial activities

Deliverables and Budget

The expected deliverables for Phase III and the associated budget (2022/23) are shown in the table below. The table also gives an indication of the estimated cost of time-spent by WIPO staff involved in the project, over its duration.

Deliverables		Budget* (in Swiss francs)
CRM	Establishment of an enterprise level Customer Relationship Management (CRM) solution, enabling a common approach to customer related data and contact management, including the standardization of customer communication channels and the consolidation of customer feedback management	1,274,380
	Establishment of common portfolio management capabilities across WIPO services, on a corporate level for WIPO customers	
CX	Development of the WIPO Accounts application to standardize data capture, harmonize across services and improve CX	
	Increased integration of WIPO services with the WIPO IP Portal and continual development of the WIPO IP Portal and its related functionalities, with eventual handover to operations	2,451,941
	Establishment of the framework and participation in the development of the WIPO Mobile app	
IP Analytics	Leveraging the WIPO IP Portal as a channel for IP Commercialization	
	Alignment of capabilities of the IP Analytics Platform to emerging organizational policy on data governance and management	
	Increased automation of data flows and the coverage and usage of internal data sets to optimize the way WIPO handles big data, along with reinforcing and maturing the data platform	1,556,139
Tech. Standardization	Developing and embedding the strategic application of data science to enable the effective implementation of customer experience related business strategy and transferring analytics capabilities to an operational state	
	Operationalizing API Management capabilities across the Organization, improving developer experience, and the adoption of modern API based interaction with the WIPO IP Portal	
	Increased convergence in data processing & IT solutions to achieve greater organizational efficiencies and transferring technical products to operational management.	1,497,960
PM	Design and deploy an initial backend API management environment, enabling greater and consistent cybersecurity across application and the externalization of software and data assets	
	Delivery of high quality Program administration, production & management of strategies/plans according to MSP methodology	750,244
Total Program Costs		7,530,663
<i>Estimated cost of other WIPO Personnel pertaining to project governance</i>		<i>390,000</i>

Estimated Recurring Operational Costs

The estimated recurring costs following the completion of Phase III are shown in the table below. The costs will be included in the successive Program of Work and Budget proposals as part of the regular budget.

Recurring Operational Costs	Budget (per year) (in Swiss francs)
CRM, CX, IP Analytics Platform, Technical Standardization	1,249,507
Total	1,249,507

PCT RESILIENT AND SECURE PLATFORM (RSP) – TRANSITION PHASE⁸

Business Case

The Patent Cooperation Treaty (PCT) is a cornerstone of WIPO's assets, as it provides WIPO with its main source of revenue. Security and resilience of the PCT's services is therefore critical to the business operations of PCT applicants and Offices. As organizations become increasingly more digitized, an assured continuity of services is a critical means to maintain the confidence of users of the PCT's services and to attract new customers.

In order to be responsive, efficient and ensure the highest level of security, WIPO needs to make sure that it builds adequate and fit for purpose communication interfaces between itself and its Member States, customers and key stakeholders.

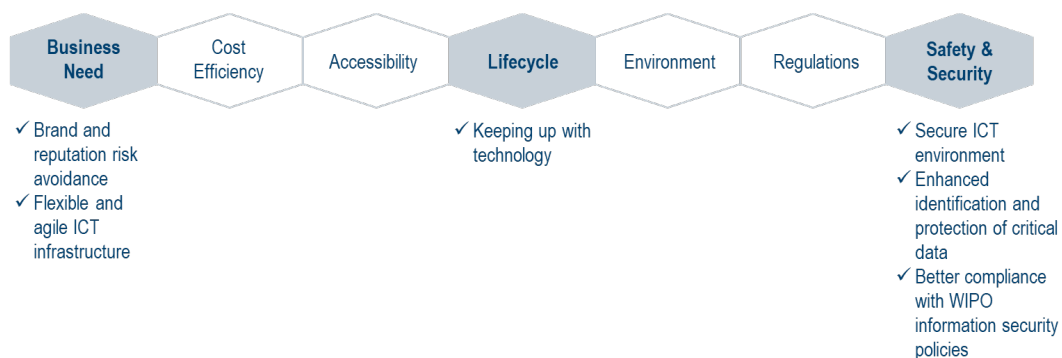
Phase I of the RSP Project was approved by the WIPO Assemblies in 2017, with the objective to establish a first Data Center (DC1), replacing the current Primary Data Center during the biennium 2018/19. During the implementation of Phase I, the Secretariat continuously monitored ICT developments in the external environment to ensure that the technology choices foreseen for the project remained the best-of-breed and, at the same time, financially sustainable in the long term.

Following the detailed analysis and design phase, it was determined that a solution based on emerging industry trends would be able to provide the same high security features as compared to the physical data centers originally envisaged by the project, as well as a more cost-effective solution for recurring costs. Considering that further discussions with Member States are required as to the hosting of PCT highly confidential information in a cloud environment, the related part of the implementation of Phase I has been put on hold. The Secretariat is committed to ensuring that confidential, unpublished PCT data is appropriately protected, and in a manner that maintains the confidence of users of the system, and of Member States.

Against this backdrop, a transition phase for the RSP Project is hereby proposed, so as to allow progress on other streams of work to continue whilst **keeping the cloud component of the RSP temporarily suspended**. The work streams within the scope of the transition phase of the RSP include:

- **Software transformation:** modernize, secure and streamline PCT processing of applications (3 million lines of code); and
- **PCT Infrastructure:** renovate the outdated PCT IT infrastructure by modernizing the supporting infrastructure, without including cloud technology.

Drivers



⁸ Excludes the cloud component of the RSP.

Project Objectives

The objectives of the Resilient and Secure Platform project for the PCT are to:

- Increase the security of the on-premise systems processing WIPO's PCT data;
- Increase the availability and resiliency of WIPO's critical PCT business processes and related systems;
- Improve the data identification, classification and protection; and
- Improve PCT business systems agility and uniformity.

Link to WIPO's Expected Results and Medium-term Strategic Plan (MTSP)

Expected Result	Project Contribution
<i>Strategic Pillar 3</i>	<i>Provide high quality intellectual property services, knowledge and data that deliver value to users around the world</i>
3.2 Improved productivity and service quality of WIPO's global IP systems, services, knowledge and data	<ul style="list-style-type: none"> - Increase security of on-premise systems processing WIPO's PCT data - Improve data identification, classification and protection
<i>Foundation</i>	<i>Empower our people to work effectively, collaboratively and innovatively by providing them with the right resources, training and environment</i>
5.2 Digitally enabled, secure and sustainable operating environment and service	<ul style="list-style-type: none"> - Agile, future ready, and flexible provision of ICT infrastructure
5.3 Sound and prudent financial management and effective corporate governance and oversight	<ul style="list-style-type: none"> - Increase resilience of the PCT with regards to security threats

Expected Benefits, Including Baselines and Targets

The expected benefits and measurements of success of the project are summarized below:

- Ensure adequate identification and protection of its critical data against security threats, in particular cyber-attacks; and
- Provide increased services availability, resilience and continuity in case of major technical issues or disasters.

Benefit description	KPIs	Baseline Value	Target Value
Improved PCT critical systems service levels and reduced interruption time for PCT critical systems	PCT Systems availability*	99.5%	tbc during project implementation
Reduced likelihood of malicious or unintentional disclosure or modification of unpublished application/registration/patent information, reduced likelihood of cyber-attacks and reduction of impact resulting from a successful cyber-attack	Surface of exposure to cyber threats **	74.5%	53.5%

* KPI composed of main internal and external PCT services availability for the year 2020.

** % of applications potentially vulnerable to a cyber-attack. KPI composed of number of software not yet modernized, thus considered vulnerable, and the total number of server used to run the PCT services.

Deliverables and Budget

The expected deliverables and the associated budget (for 2022) are shown in the table below.

Deliverables	Budget* <i>(in Swiss francs)</i>
Software transformation: modernize, secure and streamline PCT processing applications	630,000
PCT Infrastructure: modernizing the supporting infrastructure	170,000
Total Project Costs	800,000
<i>Estimated cost of other WIPO Personnel pertaining to project governance</i>	<i>86,000</i>

**Project management and technical experts are included in the budget by deliverable*

It is noted that the budget for the deliverables in the table above represents the additional budget required to complete implementation of the software transformation and infrastructure modernization work streams. The 800,000 Swiss francs will complement the remaining budget for these two deliverables from Phase I of the RSP project, estimated at 1.3 million Swiss francs at the end of 2021.

Estimated Recurring Operational Costs

There will no additional recurring operational costs for the transition phase of the RSP project.

ESTABLISHMENT OF A LONG-TERM CAPABILITY FOR WIPO TO UTILIZE CLOUD SERVICE PROVIDERS AND MIGRATION OF LEGACY APPLICATIONS (CLOUD TRANSITION) - PHASE III

Business Case

Starting in 2017, the Secretariat investigated options for improving the cost effectiveness, resilience, security and agility of providing ICT infrastructure to support a wide range of business services. In May 2018, WIPO adopted a “Cloud First” policy and established a Cloud Management Unit to coordinate the cloud transition activities. Subsequently, the Cloud Transition Project (Phase I) was initiated.

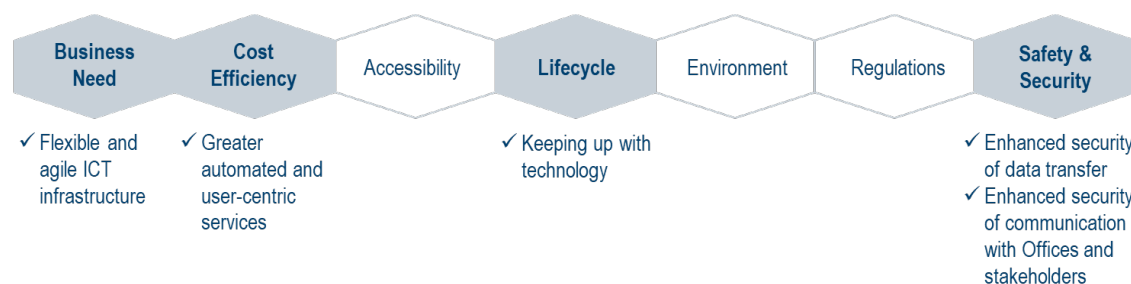
As part of the Phase I, a total of 29 applications were migrated to the cloud by the end of 2020. A cloud management platform was established, enabling efficient operations of the migrated applications and ensuring increased resilience and security. Strategies for Backup, Disaster Recovery and Monitoring have been put in place and a Direct Network connectivity enabled. Finally, a 23 per cent saving on 2020 cloud expenditure was achieved by means of ‘savings plan’ contracts.

A Phase II of the project was implemented⁹ in order to ensure that the migration of applications to the cloud could continue in an uninterrupted manner until the end of the 2020/21 biennium. As at mid-July 2021, the project has made the following progress:

- Migration of 12 additional applications to the cloud (since January);
- Implementation of a scalable virtual desktop environment allowing for secure and efficient connectivity to WIPO systems by remote users (e.g. offshore developers);
- Dissemination of technical know-how across the Organization – fortnightly technical meetings with the participation of subject matter experts and WIPO;
- Definition and implementation of the target operating model (in progress); and
- Improvement of the cost optimization process (in progress).

Phase III of the Cloud Transition Project is proposed in order to support the migration of other business applications and move cross-cutting applications and services to the cloud¹⁰. To support this transition, a strengthened governance mechanism is proposed in the form of an internal Cloud Center of Competence in order to: (i) secure the provision of architectural competences and oversight for the migration of major business applications; (ii) drive effective development and operations (DevOps) practices, operations and platform management; (iii) manage financial aspects of the transition; and (iv) procure and start a Managed Services contract for Cloud operations.

Drivers



⁹ Document WO/PBC/31/12

¹⁰ Applications in scope include Madrid, ERP, Global Databases, IP Offices Platforms and cross-cutting applications such as Tableau, Atlassian, Cherwell, and CMDB storage.

Project Objectives

The overall objectives for the cloud transition project are the following:

- **Cost optimization:** Cost savings are expected on support, maintenance and management of ICT infrastructure. Costs can also be optimized by right-sizing the resources in the cloud to closely follow demand patterns;
- **Increased agility and flexibility:** More responsive and nimble provision of ICT infrastructure for new applications, one-off needs and for unplanned changes in demand;
- **Improved service delivery to external stakeholders:** By distributing services worldwide on the cloud, response times will be improved; and
- **Improved business continuity:** Correct utilization of cloud infrastructure will enable backup and recovery to be implemented quickly and cost effectively. Exposure to loss of service due to power, internet and other failures will be reduced, as will dependencies on single service providers.

Link to WIPO's Expected Results and Medium-term Strategic Plan (MTSP)

Expected Result	Project Contribution
<i>Strategic Pillar 3</i>	<i>Provide high quality intellectual property services, knowledge and data that deliver value to users around the world</i>
3.2 Improved productivity and service quality of WIPO's global IP systems, services, knowledge and data	- Improve service delivery to external stakeholders through reduced response times
<i>Foundation</i>	<i>Empower our people to work effectively, collaboratively and innovatively by providing them with the right resources, training and environment</i>
5.2 Digitally enabled, secure and sustainable operating environment and service	- Agile, future ready, and flexible provision of ICT infrastructure
5.3 Sound and prudent financial management and effective corporate governance and oversight	- Improve business continuity through more efficient back-up and recovery of data, - Increase resilience of WIPO services: reduced exposure to failure and reduced dependencies - Cost efficiencies on support, maintenance and management of ICT infrastructure and automatically scaling resources up and down to follow demand patterns

Expected Benefits, Including Baselines and Targets

The expected benefits and measurements of success of the third phase of the WIPO Cloud transition project are summarized below:

Benefit description	KPIs	Baseline Value	Target Value
Effective Enterprise-level support for cloud hosted systems	Improved service delivery to external stakeholders ¹¹	APDEX score >0.6 for 78% of applications moved to the cloud (end 2020)	APDEX score ≥ 0.6 for 80% of applications moved to the cloud
	Secured business continuity	No RTO (recovery time objective) explicitly defined in the current business continuity measures	Defined business continuity measures (RTO) for applications in the cloud
Increase flexibility and agility through matured support for development and operations (DevOps) of IT systems	% of application deployments automated	N/A	80% applications with automated deployment capabilities

¹¹ Measured through the Application Performance Index (APDEX) score that is an open standard to measure response time of software application. It correlates the ratio of satisfactory response times to unsatisfactory response times.

Benefit description	KPIs	Baseline Value	Target Value
Effective management of Cloud-related expenses	Cost of application hosting	Cost for hosting application in UNICC, including professional services	>30% cost reduction for migrated applications
	Timely control and optimization of hosting costs	Monthly cost reporting for UNICC services (>1 month lag)	"Real-time" monitoring and control of cloud-related expenditure

Deliverables and Budget

The expected deliverables and the associated budget (2022/23) are shown in the table below.

Deliverables	Budget (in Swiss francs)
Establish an internal Cloud Center of Competence	870,000
Establish a "Managed Services Contract" with defined SLAs	730,000
Migrate shared services to the cloud (e.g. Tableau, Atlassian, Cherwell, CMDB, storage)	530,000
Support the migration of the following WIPO business applications: Madrid, ERP, Global Databases, IP Offices Platforms	620,000
Total Project Costs	2,750,000
<i>Estimated cost of other WIPO Personnel pertaining to project governance and project management</i>	<i>568,000</i>

Estimated Recurring Operational Costs

The annual recurring costs of maintenance and operation of using cloud services will, in the medium to long-term, replace the recurring cost of the current on-premises hosting of WIPO's ICT infrastructure (i.e. there is an estimated potential savings of 40 per cent by re-hosting a group of WIPO servers). The estimated recurring costs pertaining to the Managed Service Contract are shown in the table below. The costs will be included in the successive Program of Work and Budget proposals as part of the regular budget.

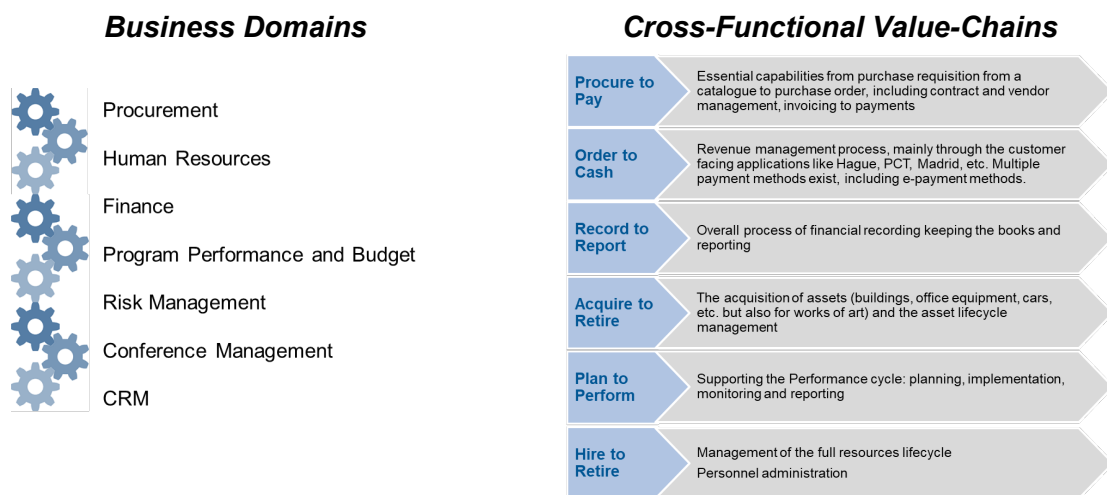
Recurring Operational Costs	Budget (per year) (in Swiss francs)
Managed Services Contract	435,000
Total	435,000

AIMS 2.0 TRANSFORMATION - PHASE I

Business Case

The creation of an Administrative Integrated Management System (AIMS) through an integrated ERP system was approved by Member States in 2010. The project was concluded in 2019, and is currently composed of 13 applications.

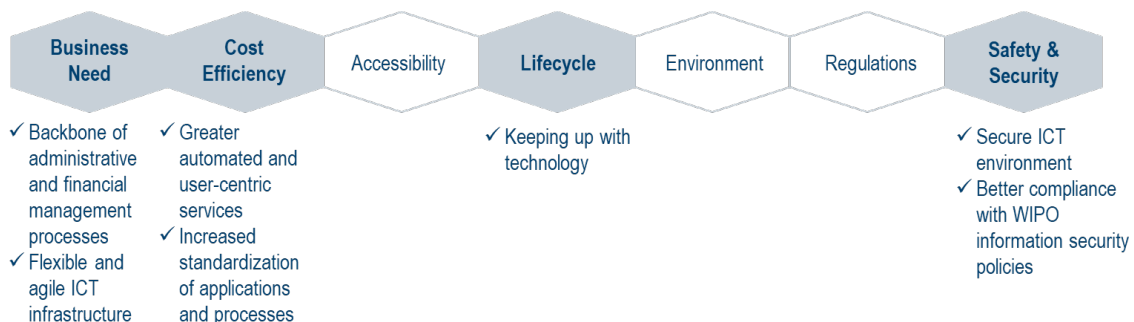
With over 130,000 users, the AIMS portfolio underpins all of the key administrative and financial process in WIPO. It supports seven business domains and the six cross-functional value-chains (horizontal processes).



The transformation of the portfolio is required to keep up with new and evolving Organization-wide technology and business needs. In particular, and following an assessment conducted in 2020, the following areas of improvement have been identified: (i) use of a fit-for-purpose and modern technology platform; (ii) need to enhance user friendliness and modularity of the interfaces; and (iii) need to strengthen reporting capabilities and solution(s) to better support business needs.

The phase I of the AIMS 2.0 project will aim to prepare the foundations for the future transformation in a way that ensures business continuity and avoids any major business disruptions.

Drivers



Project Objectives

The goal of the next generation AIMS strategy (AIMS 2.0) is to continue to provide a robust and secure ecosystem of applications that underpin WIPO's financial and administrative operations while addressing the key technical challenges to improve security and agility, aligning to the pace of change, and remaining fit-for-purpose and synchronized with business transformation initiatives.

The AIMS 2.0 transformation project aims to achieve the following four key objectives:

1. Improve fee-paying customers services and solutions;
2. Have an agile, future-ready applications architecture that is easy to adapt to new solution delivery models from vendors and comply with WIPO's cloud strategy;
3. Improve reporting & analytics whilst fostering better access to and usage of the enterprise AIMS data; and
4. Improve user experience through modernization, process simplification and automation.

Link to WIPO's Expected Results and Medium-term Strategic Plan (MTSP)

Expected Result	Project Contribution
<i>Strategic Pillar 3</i>	<i>Provide high quality intellectual property services, knowledge and data that deliver value to users around the world</i>
3.2 Improved productivity and service quality of WIPO's global IP systems, services, knowledge and data	- More efficient and automated services and solutions for WIPOs fee-paying customers
<i>Foundation</i>	<i>Empower our people to work effectively, collaboratively and innovatively by providing them with the right resources, training and environment</i>
5.1 A Secretariat that is empowered through a dynamic corporate culture and is provided with the right resources and training to work effectively, collaboratively and innovatively	- Improve users experience through modernization, process simplification and automation
5.2 Digitally enabled, secure and sustainable operating environment and service	- Agile, future ready applications architecture to enable WIPO's financial and administrative operations
5.3 Sound and prudent financial management and effective corporate governance and oversight	- Improve reporting & analytics as an enabler of informed decision making - Cost efficiencies on hosting, maintenance and management of ICT infrastructure

Expected Benefits, Including Baselines and Targets

The expected benefits and measurements of success of the project are as follows:

Benefit Description	KPIs	Baseline	Target
Increased cost efficiency for hosting, infrastructure maintenance and architecture support	Annual infrastructure hosting and maintenance cost	Current infrastructure cost with UNICC	30% cost saving
	No. of point to point interfaces (architecture support)	tbd	20% reduction (end of project)

Benefit Description	KPIs	Baseline	Target
Improved WIPO user experience and productivity via new self-service and automation capabilities	AIMS User Survey	User satisfaction rate in 2021	≥85% satisfied or very satisfied
	No. of newly automated or streamlined L2 ¹² processes	0 out of 6	3 out of 6
Improved cohesiveness, future-readiness and agility of the AIMS eco-system (architecture)	% of L1 ¹³ business processes standardized or prepared for standardization	40%	60%
Improve data-driven decision making by ensuring data quality, effective data centralization and accessibility, and through the provision of fit-for-purpose reports and dashboards	% of Data contained in a centrally accessible repository	N/A	90% of data needed for administrative and financial management reporting is available in a centrally accessible data-warehouse
	% of duplicate data	30%	< 10%
	Self-service access and usage of the AIMS data by business areas to support decision-making	N/A	3 business areas using self-service data for analytics
Centralized and increased ease of payment for customers using modern financial transaction processing facilities and enabling the availability of consolidated payment information	No. of business streams using central payment gateway	4	9
	No. of customers using Current Account and other financial widgets through IP Portal	tbd	10% increase
Streamlined management of customer information	Reduction in the administrative effort in support of customers payment information management	Current workload	0 (self-service functionality)
	% of duplicate data	30%	<10%

Deliverables and Budget

The expected deliverables and the associated budget (2022/23) are shown in the table below.

Deliverables	Budget* (in Swiss francs)
AIMS 2.0 Foundation: decoupling and program setup	1,340,000
<i>Setting up the transformation & change management project office</i>	440,000
<i>Implementation of Integration Platform (IPaaS)</i>	450,000
<i>Implementation of User experience portal (front end) and automation of manual fragmented processes</i>	450,000
Evolution of Fee-Paying Customers Support and Solutions	800,000
<i>ePay Cloud Migration</i>	200,000
<i>ePay 3 (functional & technical enhancements and self-service portal)</i>	600,000
PeopleSoft (PS) Cloud Migration	760,000
<i>Remediation of PS interfaces/integrations and process standardization as a pre-requisite to the cloud migration</i>	300,000
<i>PS Cloud hosting migration</i>	460,000
Total Project Costs	2,900,000
<i>Estimated cost of other WIPO Personnel pertaining to project governance</i>	172,000

*Project management is included in the budget by deliverable

Estimated Recurring Operational Costs

There will no additional recurring operational cost as the cost for new services and licenses will be offset by savings from the decommissioning of existing services (e.g. retiring ICC hosting).

¹² The L2 processes are the six cross-functional horizontal processes (procure to pay, order to cash, record to report, acquire to retire, plan to perform and hire to retire), which will introduce self-service and enhanced automation.

¹³ The L1 business processes refer to main business domains (procurement, human resources, finance, program performance and budget, risk management, conference management and customer relationship management).

CONFERENCE SYSTEMS UPGRADE

Business Case

The Organization currently hosts some 100 meetings for approximately 190 meeting days per year, using several meeting and conference rooms equipped with conference systems. These mission critical facilities have a high utilization rate and strong requirements for service availability.

In 2020, the COVID-19 pandemic introduced the need for remote participation of Delegates to WIPO meetings. It is expected that hybrid meetings will continue as part of the “new normal” working configuration.

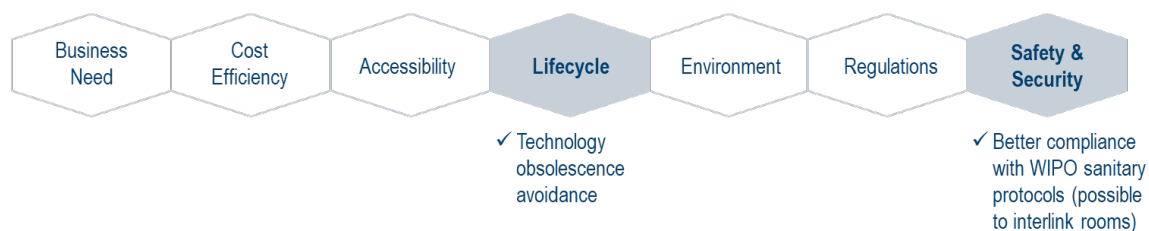
In 2016, WIPO received an end-of-life (EOL) notification concerning the Televic TCS-5500 product range, which is the equipment enabling the delivery of audio and video conference services (including interpretation) and is currently deployed in eight conference rooms and in the main WIPO Conference Hall (WCH). EOL notification means that the vendor cannot provide any guarantee for future repairs of the product.

In view of the above, and in order to ensure suitable availability of the Organization’s meeting and conference room facilities, there is a need to replace the legacy Televic conference systems with Plixus, the new compatible product range.

Replacement of the obsolete equipment has started and five rooms have already been upgraded, allowing the decommissioned equipment to be temporarily kept as spare parts.

The proposed Conference Systems Upgrade project concerns the renovation of the remaining conference systems in four conference rooms (WCH, Room A, the Red Room and the Blue Room).

Drivers



Project Objectives

The objective of the project is to improve conference service delivery to both internal and external stakeholders through:

- Deployment of state-of-the art technology across all conference facilities;
- Provisioning of interpretation capability in all rooms as an enabler for effective participation by Delegates on site and from remote locations;
- Increased flexibility of room configuration (room coupling, improved layouts); and
- Installation of a digital audio system.

Link to WIPO's Expected Results and Medium-term Strategic Plan (MTSP)

Expected Result	Project Contribution
<i>Strategic Pillar 2</i>	<i>Bring people together and partner with stakeholders to shape the future of the global intellectual property ecosystem</i>
2.2 WIPO brings the international community together to proactively address emerging issues and policy challenges at the global level relating to IP, innovation and creativity	- Highest quality of servicing conferences, meetings and events
<i>Foundation</i>	<i>Empower our people to work effectively, collaboratively and innovatively by providing them with the right resources, training and environment</i>
5.1 A Secretariat that is empowered through a dynamic corporate culture and is provided with the right resources and training to work effectively, collaboratively and innovatively	- Future proof, and flexible provision of conferencing facilities - Flexible room configuration allows for different layouts accommodating diverse meeting formats
5.2 Digitally enabled, secure and sustainable operating environment and service	- Improved user experience for both on site and remote attendance - Hybrid meetings address sustainability by decreasing the need for travel

Expected Benefits, Including Baselines and Targets

The expected benefits and measurements of success of the project are summarized below:

Benefit description	KPIs	Baseline Value	Target Value
Facilitate engagement of Delegates to WIPO meetings, including in additional facilities to the WIPO Conference Hall (WCH)	WIPO Conference facilities remain fit for purpose	No significant outages experienced (to date)	No outages experienced (moving forward)
	WIPO Conference facilities are flexible and effectively used	Possibility to link rooms WCH, A , B & NB 0.107	Possibility to link all meeting and conference rooms covered by the project, enabling different layouts and meeting types
Further promote multilingualism in the context of WIPO meetings	Possibility to participate into hybrid interpreted meetings from all meeting rooms	Only possible in WCH and Red room	Participation possible from all meeting and conference rooms covered by the project

Deliverables and Budget

The expected deliverables and the associated budget (2022/23) are shown in the table below.

Deliverables	Budget (in Swiss francs)
Acquisition of equipment and accessories	2,065,965
Installation and integration of the conference system	407,630
Project Management	120,000
Total Project Costs	2,593,595
<i>Estimated cost of other WIPO Personnel pertaining to project governance</i>	<i>172,000</i>

Estimated Recurring Operational Costs

The estimated recurring costs are shown in the table below. The costs will be included in the successive Program of Work and Budget proposals as part of the regular budget.

Recurring Operational Costs	Budget (per year) (in Swiss francs)
Maintenance cost (increase)	10,000
Total	10,000

ENTERPRISE SERVICE MANAGEMENT (ESM)

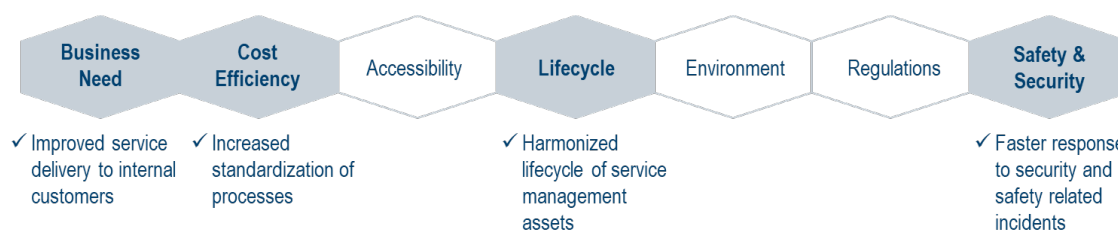
Business Case

The provision of service management tools has developed over the years in various areas across the Administration, Finance and Management Sector (AFM). Initially deployed in ICTD, other areas within the Sector have also developed such tools over time to support their activities (e.g. Purchasing, Premises, Safety & Security etc.), noting that their primary use is for the recording of incidents (ticketing) and the management of internal customer requests.

The deployment of these tools did not take into account the emerging need for an efficient and unified service management system within AFM and the benefits of collaboration. This has resulted in the proliferation of isolated tools, using different processes and, ultimately, providing scattered capabilities in service management. In addition, the specific tailoring of the current tools to the needs of individual business units prevents them being merged into a unique approach and system.

The implementation of a state-of-the-art Enterprise Service Management (ESM) approach and supporting system is required to allow the Organization to continue to streamline and simplify processes as well as embrace opportunities from the digital transformation. An integrated ESM platform would offer a solution that extends Information Technology Service Management (ITSM) platform capabilities beyond technology services to also address business-centric use cases (e.g., facilities, human resources and travel), centrally managing service demand and supply through a common platform and portal, and the provision of a customizable service catalogue.

Drivers



Project Objectives

The objectives of this project is the implementation of state-of-the-art ESM processes and supporting systems to manage, coordinate and monitor the delivery of services across AFM.

Link to WIPO's Expected Results and Medium-term Strategic Plan (MTSP)

Expected Result	Project Contribution
<i>Foundation</i>	<i>Empower our people to work effectively, collaboratively and innovatively by providing them with the right resources, training and environment</i>
5.1 A Secretariat that is empowered through a dynamic corporate culture and is provided with the right resources and training to work effectively, collaboratively and innovatively	<ul style="list-style-type: none"> - Improve internal customer service experience - More integrated processes and tools
5.2 Digitally enabled, secure and sustainable operating environment and service	<ul style="list-style-type: none"> - Agile, future ready, and flexible supporting systems underpinning service delivery
5.3 Sound and prudent financial management and effective corporate governance and oversight	<ul style="list-style-type: none"> - Increase speed of response to incidents

Expected Benefits, Including Baselines and Targets

The expected benefits and measurements of success of the project are summarized below.

Benefit description	KPIs	Baseline Value	Target Value
A cohesive and uniform experience across the business units implementing the Enterprise Service Management solution.	% of satisfaction across business units	n/a	≥ 85% of the business units satisfied or very satisfied
Ease of use and improved customer experience for internal users of services provided through the Enterprise Service Management Solution	% of end-user satisfaction	98.9% satisfied with IT Service Desk services	> 96% satisfied or very satisfied for services provided through the Enterprise Service Management Solution after one year of implementation
Reduction in the number of contact points for the users to access the services	Count of contact points	One or more contact points for each of the six business units involved	Max. 3 contact points, all on the same platform
Simplified access to cross-functional services (i.e. services involving multiple business units such as new hire requiring office space, badge, IT equipment and credentials)	Number of cross-functional services accessible with a single request	None	At least two cross-functional services accessible with a single request after one year of implementation

Deliverables and Budget

The expected deliverables and the associated budget (2022/23) are shown in the table below.

Deliverables	Budget* (in Swiss francs)
Assess and define requirements for each Business Unit	275,000
Development and implementation of Enterprise Service Management platform:	1,225,000
<i>Customer Engagement service (integrated service catalogue, self-service capability, service desk)</i>	825,000
<i>Service Asset and Configuration processes (improve controls on delivery of services)</i>	200,000
<i>Service Level Management process (monitoring and reporting of service delivery)</i>	200,000
Total Project Costs	1,500,000
<i>Estimated cost of other WIPO Personnel pertaining to project governance</i>	172,000

*Project management is included in the budget by deliverable

Estimated Recurring Operational Costs

The estimated recurring costs are shown in the table below. The costs will be included in the successive Program of Work and Budget proposals as part of the regular budget. It is noted that savings in excess of operational costs are expected through the retirement of existing service management tools, including hosting costs, and existing support contracts.

Recurring Operational Costs	Budget (per year) <i>(in Swiss francs)</i>
Usage fees and configuration support	270,000
Total	270,000

DATA MANAGEMENT AND GOVERNANCE

Business Case

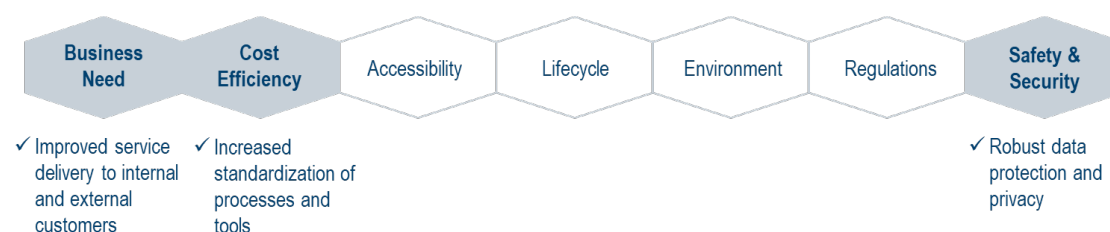
WIPO Sectors and operational processes generate a significant amount of data. Multiple tools are utilized within the Organization to manage and report on this data. These efforts and capabilities are mostly operating in silos, some focused on reporting, whereas others are primarily used for data preparation and storage.

An internal assessment has concluded that the practice of data governance and data management across WIPO are immature, with no structured governance in place. Gaps identified that risk to impede progress of business initiatives include:

- Lack of horizontal governance resulting in data silos, hampering collaboration, and impeding data quality and use;
- Partial implementation of the Personal Data Protection and Privacy Principles;
- Uneven data cultures, analytics skills and capabilities leading to sub-optimal facilitation of decision-making;
- Inadequate technology environments generating frustration with data collection and analysis phases;
- Limited systems integration generating duplication, errors and extra work; and
- Misaligned standards usage impeding system-wide data aggregation, proper customer management and enterprise wide master data management.

The Data Management Program proposes to address these key gaps through a series of projects and initiatives in order to establish the foundation for data management practices at WIPO.

Drivers



Project Objectives

The overall objectives for the Data Management and Governance project are the following:

- Ensure that stakeholders (internal and external) can find, access, integrate and share data requirements across the full spectrum of data subject areas and data types;
- Establish data access and usage principles based on good and adaptive governance, with business data definitions (data catalogues), integration capabilities (Application Programming Interfaces (APIs)), and with common standards wherever possible; and
- Improve data usage to understand what has happened, predict what could happen in the future and inform decision-making.

Link to WIPO's Expected Results and Medium-term Strategic Plan (MTSP)

Expected Result	Project Contribution
<i>Foundation</i>	<i>Empower our people to work effectively, collaboratively and innovatively by providing them with the right resources, training and environment</i>
5.1 A Secretariat that is empowered through a dynamic corporate culture and is provided with the right resources and training to work effectively, collaboratively and innovatively	<ul style="list-style-type: none"> - Improve internal and external customer user experience - Strong data governance approach in place - Establish foundations for effective cross-Org. data management practices
5.2 Digitally enabled, secure and sustainable operating environment and service	<ul style="list-style-type: none"> - Agile, future ready data platform and analytics environment
5.3 Sound and prudent financial management and effective corporate governance and oversight	<ul style="list-style-type: none"> - Improve reporting & analytics as an enabler of informed decision-making - Robust data protection and privacy principles

Expected Benefits, Including Baselines and Targets

The expected benefits and measurements of success of the project are summarized below:

Benefit description	KPIs	Baseline Value	Target Value
Enhanced provision of data & analytics support to internal customers	Adoption rate (%) of reports generated from the new centralized enterprise data sources	N/A	80% of internal users using reports
	Data sets available through self-service platforms	0	3 ¹⁴
Enable analysis and data-driven decision making through improving data management and literacy	% of data sets defined according to clear standards (e.g., taxonomies, definitions, usage)	0	50%
Reduce data mismanagement risk exposure through strengthened data governance and data management practices	% of data standards implemented and monitored (e.g., taxonomies, definitions, usage)	0	50%
	% increase of business areas using the standardized data architecture and management	1	200%

Deliverables and Budget

The expected deliverables and the associated budget (2022/23) are shown in the table below.

Deliverables	Budget* (in Swiss francs)
Data Use and Standards	100,000
<i>Master data management standards & implementation</i>	100,000
Analytics tools to enable the identified Use Cases	450,000
<i>Advanced data modeling, simulation, forecasting, optimization</i>	150,000
<i>Database, data warehouse and data lake systems</i>	150,000
<i>Provision of expert advice and oversight for the development and execution of all Analytics initiatives in the organization</i>	150,000
Data Management tools to enable the data flow for the identified Use-cases	450,000
<i>Data sharing and publishing apps, incl. portals and API services</i>	150,000
<i>Data integration and quality tools</i>	100,000
<i>Metadata management and data cataloguing solutions</i>	200,000
Total Project Costs	1,000,000
<i>Estimated cost of other WIPO Personnel pertaining to project governance</i>	172,000

*Project management is included in the budget by deliverable

¹⁴ AIMS, Infosec, Economics & Statistics

Estimated Recurring Operational Costs

The estimated recurring costs are shown in the table below. The costs will be included in the successive Program of Work and Budget proposals as part of the regular budget.

Recurring Operational Costs	Budget (per year) <i>(in Swiss francs)</i>
Data platform for additional business areas	75,000
Tableau licenses	20,000
Cloud data integration (e.g. Talend)	15,000
Data Catalog Tool (e.g. Colibra)	30,000
Total	140,000

SAFETY AND SECURITY RELATED PROJECT

STRONG MODERN AUTHENTICATION

Business Case

Following the identification of weaknesses in the internal authentication process by Deloitte in 2016, an independent consultant concluded in 2019 that WIPO should adopt strong, modern, risk-based authentication methods in order to allow WIPO to:

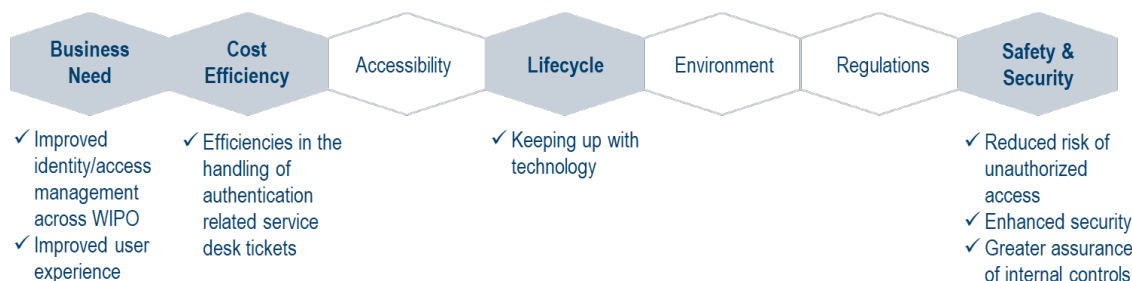
- Provide a consistent experience to users;
- Increase resilience to cyber security threats and contain information security risks; and
- Support future proofing WIPO's digital transformation through the implementation of centrally managed, standardized, compliant and cost-effective authentication solution(s).

The recent Cybersecurity Management audit has emphasized the need to implement the next generation Information Security Strategy, which includes the implementation of strong modern authentication as a key project for risk reduction.

Security incidents globally show that, today, passwords are seen as “low-hanging fruit” for attackers, with many people using inherently weak, easily guessable passwords, and often using the same password across many sites. Significant data breaches over the last few years have resulted in billions of username/password combinations being made available in underground forums (the Dark Web) providing a treasure trove of credentials to malicious actors for use in attacks against organizations around the world.

With WIPO adopting a remote working modality, the security perimeter extends beyond the traditional perimeter of an organization protected by firewalls. Extending the security perimeter requires us to rethink protection mechanisms using a “Zero Trust” model where greater reliance is based on the strength and confidence of the user identity. The basis of adopting the Zero Trust model is the implementation and enforcement of strong authentication at the network access level (i.e. for all users), which will be achieved through the successful delivery of this project.

Drivers



Project Objectives

The main objective of this project is to identify and implement a best-fit strong authentication solution based on business needs and the strategic/technical direction of the Organization, to ensure the continued security of the Organization's information and that for which it is a custodian. The project will also seek to retain and reuse existing capabilities where possible to reduce the impact to end users in terms of having to adapt to new tools in addition to new processes.

Link to WIPO's Expected Results Medium-term Strategic Plan (MTSP)

Expected Result	Project Contribution
<i>Foundation</i>	<i>Empower our people to work effectively, collaboratively and innovatively by providing them with the right resources, training and environment</i>
5.1 A Secretariat that is empowered through a dynamic corporate culture and is provided with the right resources and training to work effectively, collaboratively and innovatively	<ul style="list-style-type: none"> - Improve user experience - Improve identify access management across WIPO
5.2 Digitally enabled, secure and sustainable operating environment and service	<ul style="list-style-type: none"> - Enable the secure digital transformation of the Organization
5.3 Sound and prudent financial management and effective corporate governance and oversight	<ul style="list-style-type: none"> - Increase assurance of internal control effectiveness and reduced risk exposure - Increase resilience of the Organization with regards to security threats

Expected Benefits, Including Baselines and Targets

The expected benefits and measurements of success of the project are summarized below:

Benefits description	KPIs	Baseline Value	Target Value
Improved user experience	% of user satisfaction	% of users satisfied with the current authentication experience (pre-implementation survey)	TBC following pre-implementation survey
Reduction in cyber risk exposure	Risk assessment	Pre-implementation residual risk assessed as Med-High	Post implementation residual risk reduced to Low
Enhanced access controls to information resources	Strength of access controls	Coarse-grained ¹⁵ access controls for all applications	Identity-based application and data level access for internal applications

¹⁵ Course-grained access refers to high-level access based on simple rules such as "user X has access to application Y".

Deliverables and Budget

The expected deliverables and the associated budget (2022/23) are shown in the table below.

Deliverables	Budget (in Swiss francs)
Acquisition of Physical tokens for MFA on endpoint (2500 users)	250,000
Implementation of the Certificate and Token Management System	150,000
End-to-end integration with supporting systems (Sailpoint, Azure AD, MDM, etc)	120,000
Hosting costs during project implementation	30,000
Training and change management	50,000
Project Management	297,000
Total Project Costs	897,000
<i>Estimated cost of other WIPO Personnel pertaining to project governance</i>	<i>172,000</i>

Estimated Recurring Operational Costs

The estimated recurring costs are shown in the table below. The costs will be included in the successive Program of Work and Budget proposals as part of the regular budget.

Recurring Operational Costs	Budget (per year) (in Swiss francs)
Software license (2,500 users)	62,500
Certificate and Token Management System	30,000
Hosting costs	15,000
Total	107,500

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