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ASSEMBLIES OF THE MEMBER STATES OF WIPO

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FINANCIAL MANAGEMENT REPORT FOR THE 2004-2005 BIENNIUM;
INTERIM FINANCIAL STATEMENT FOR 2006;
ARREARS IN CONTRIBUTIONS AS OF JULY 1, 2007

Memorandum by the Director General

I. Introduction

1. The WIPO Program and Budget Committee, at its eleventh session from June 25 to 28, 2007, reviewed and discussed the accounts of the International Bureau for the 2004-2005 biennium and the Interim Financial Statement for 2006 (documents WO/PBC/11/2 and WO/PBC/11/4). The report of the discussion at that session is given in paragraphs 17, 18, 20 and 21, below.

The Program and Budget Committee recommended to the General Assembly the approval of the 2004-2005 Financial Management Report (document FMR/2004-2005) (document WO/PBC/11/17 Prov., paragraph 13).

The Program and Budget Committee took note of the information contained in the Interim Financial Statement for 2006 as contained in document WO/PBC/11/4 (document WO/PBC/11/17 Prov., paragraph 19).

II. Accounts for the 2004-2005 Biennium

2. The accounts of the International Bureau for the 2004-2005 biennium are disclosed in the Financial Management Report 2004-2005*. Copies of that report were communicated to each Member State of WIPO, of the Paris Union, or the Berne Union on July 31, 2006.

3. The conclusion of the Auditor's Report was as follows:

“100. As a result of the work done, I am able to issue the audit opinion annexed to this report and drawn up in conformity with paragraph 5 of the Terms of Reference Governing Audit (annexed to the WIPO Financial Regulations).”

4. The audit opinion in question is worded as follows:

“In my opinion, the financial statements give a satisfactory account, on all essential points, of the financial position on December 31, 2005, and of the results of operations and movements of funds for the financial period ending on that date, in accordance with the specified accounting policies of WIPO which are set forth in the Notes on the 2004-2005 Financial Management Report, and which have been applied in a manner consistent with the previous accounting period.

“In addition, it is my opinion that the WIPO operations that I checked by sampling in the course of my audit were on all essential points consistent with the Financial Regulations and the authority given by the deliberative bodies of the Organization.

“Pursuant to paragraph 6 of the Terms of Reference Governing Audit annexed to the WIPO Financial Regulations, I have also drawn up a detailed report on my auditing of the financial statements of WIPO, which is dated June 21, 2006.”

5. In the above-mentioned detailed report, the Auditor makes the following recommendations:

“The revised budget for the 2004-2005 biennium was not approved *ad hoc*, but rather alongside the 2006-2007 budget during the 41st series of meetings, held in Geneva from September 26 to October 5, 2005 (paragraph 194(i) of document A/41/17).

“Recommendation No. 1: In my opinion, the revised budget should be specifically approved. Indeed, paragraph 194 (i) of document A/41/17 states ‘... approved the Proposed Program and Budget for 2006-2007, as per document A/41/4,’ but without making any reference to the revised 2004-2005 budget.”

6. Before the External Auditor made this recommendation, the Secretariat had submitted a proposal to the Member States concerning a new mechanism to involve the Member States more closely in the preparation and monitoring of the Organization's program and budget. The new mechanism, which was adopted by the Assemblies of the Member States of WIPO at

* Document FMR/2004-2005, available upon request.

their September-October 2006 session, provides for the submission to the Program and Budget Committee (PBC), in the years when a budget is submitted, of a revised budget for the biennium for the purposes of its examination and the formulation of a recommendation to the General Assembly. The PBC's examination of the revised budget for the 2006/07 biennium was included in the draft agenda of the eleventh session of the PBC (which was held from June 25 to 28, 2007).

7. In paragraphs 8 to 12 of his detailed report, concerning the "Internal Audit", the Auditor makes the following recommendation:

"Recommendation No. 2: I invite WIPO to ensure that the Internal Audit and Oversight Division complies with the Internal Audit Charter and that in the future, it undertakes all internal oversight duties (audits, investigations, inspections, assessments and monitoring), rather than concentrating primarily on program supervision and assessment functions."

8. A Director of the Internal Audit and Oversight Division was appointed in January 2007. Staff are currently being allocated to this Division and a Senior Internal Auditor will take up his duties in May 2007. Two additional posts are provided for in the revised budget for the 2006/07 biennium. Other recruitments are in progress, which will help to provide resources to implement fully the Audit Charter and a new assessment policy, once such a policy has been finalized in the course of the year. These measures are priorities for WIPO.

9. In paragraph 47 of his detailed report, concerning "advances", the Auditor writes:

"47. There is a significant delay in the processing and settlement of IOVs. As of mid-May 2006, US\$0.5 million of 2005 expenditure remained outstanding and the IOVs for 2006 had not yet been processed.

"Recommendation No. 3: According to the justification principle, expenses paid on behalf of WIPO by the UNDP Resident Representatives for which IOVs have been received should be accounted for on the basis of the actual expenditure rather than the associated unpaid commitments. Moreover, I believe that immediate measures should be taken to clear the observed backlog of 2006 IOVs to be processed."

10. The Secretariat has taken all possible measures to reduce the delay in the processing of *Inter-Office Vouchers* (IOVs) for 2006 and to avoid any delay in the processing of IOVs for 2007. It should be recalled, however, that it is totally dependent on the delay and on the information provided by the United Nations Development Programme (UNDP), which issues these IOVs.

11. In paragraph 48 of his detailed report, concerning "Sundry Debtors", the Auditor writes:

"48. The Administration of the United States of America has not yet effected the reimbursement to WIPO of direct taxes amounting to 1,743,880.67 francs relating to the years 1999 to 2005, entered on the assets side of the balance sheet under "Sundry Debtors". Furthermore, the American Administration has effected some reimbursements without supplying details (taxpayers concerned and taxation years). A request for confirmation of the sums outstanding and details of the sums involved has been sent to the authorities responsible for this matter. To date, no information has reached me.

“Recommendation No. 4: I invite the WIPO Secretariat to continue taking all appropriate steps to ensure the swift payment by the Administration of the United States of America of the sums due.”

12. The Secretariat has taken all the necessary measures to settle the amounts owed by the Government of the United States of America quickly. On October 18, 2006, a sum of US\$530,324 was received by WIPO; on October 26, 2006, a sum of US\$245,435 was demanded by WIPO for taxes for the year 2006. As of December 31, 2006, the amount remaining due was US\$1,085,726.62, i.e., 1,324,586.48 Swiss francs.

13. In paragraph 57 of his detailed report, concerning the “Reserve Funds”, the Auditor makes the following recommendation:

“Recommendation No. 5: Despite improvements at the end of the period under review, I consider that the status of the Reserve Funds remains unsatisfactory. In my opinion, Reserve Fund levels should correspond to six months’ expenditure, i.e. a burn rate of 25 per cent. Moreover, bearing in mind the future application of the new IPSAS¹, planned for around 2010, I encourage WIPO to continue taking all appropriate action with a view to maintaining budgetary balance on the one hand, and on the other hand, increasing the levels of the Reserve Funds in such a way as to allow them, should the need arise, to perform the function for which they were constituted.”

14. The Secretariat invited the Member States to give their opinion on this recommendation in the questionnaire submitted to them in October 2006, as part of the preparations undertaken to draw up the proposed Program and Budget for the 2008/09 biennium. The question of the level of reserves was then dealt with in the Outline for the Program and Budget for the 2008/09 biennium, produced by the Director General, which were presented at the informal PBC session held in December 2006 (pages 13 and 14 of document WO/PBC/IM/3/06/3). During this session, the External Auditor was invited to explain the reasons for the recommendation to increase the level of reserves to 25 per cent of the expenditure included in the budget for the biennium. Proposals relating to the level of reserves referred to are being produced by the Secretariat as part of the proposed Program and Budget for the 2008/09 biennium. It should also be noted that, at the end of December 2006, the actual level of reserves was 163 million Swiss francs, i.e., 67.4 million Swiss francs above the level of 18 per cent of the initial budget for 2006/07 (95.6 million Swiss francs) and 30.2 million Swiss francs above the level of 25 per cent of the initial budget for 2006/07.

15. In paragraph 67 of his detailed report, concerning “Funds-in-Trust (FIT)”, the Auditor makes the following recommendation:

“Recommendation No. 6: The funds-in-trust have sufficient liquid assets available to pay their own expenses. I believe that if payment of these expenses were to continue to be made from WIPO liquid funds, the bridging accounts should be settled monthly. Another solution could be for each fund to make a cash advance to WIPO.”

16. The Auditor’s recommendation was followed and each fund has made a cash advance to WIPO.

¹ *International Public Sector Accounting Standards*

17. During the eleventh session of the WIPO Program and Budget Committee, which was held from June 25 to 28, 2007, the following comments were made in the discussion (document WO/PBC/11/17 Prov., paragraphs 9 to 12):

“9. Discussions were based on documents FMR/2004-2005 and WO/PBC/11/2. Statements were made by the Delegations of the Algeria, Brazil, France, Japan, Morocco, Netherlands, Nigeria, Pakistan, Ukraine, United Kingdom and the United States of America.

“10. The Secretariat was congratulated for the excellent financial management and healthy financial results of the 2004/05 biennium and for having reversed the trend of deficit budgets of preceding biennia.

“11. Several delegations referred to the recommendation of the External Auditor to increase the target level of reserves to 25% of biennial expenditure. For further details on this point, and the intervention made by the External Auditor in that respect, please see below (paragraphs 47 and 48).

“12. In reply to a remark by the United Kingdom, the Controller clarified that, based on the new mechanism adopted by the Member States at the 2006 Assemblies, the Financial Management Report for the 2006/07 biennium will be submitted for the review by the Committee in the year immediately following the closing of the 2006/07 financial period, that is to say in 2008.”

18. The Program and Budget Committee recommended to the General Assembly the approval of the 2004-2005 Financial Management Report (document FMR/2004-2005) (document WO/PBC/11/17 Prov., paragraph 13).

III. Interim Financial Statement for 2006

19. The interim financial statement for the 2006 accounts includes:

- Table I, giving the expenditures (by expenditure item) and the income (by type) for 2006, compared with the initial budget for the 2006-2007 biennium and the revised budget proposed for 2006-2007;
- Table II, containing an estimate of the amount of the reserve funds and working capital funds as at the end of 2006;
- Table III, detailing the changes in and the amount of the funds for separation from service and medical benefits following separation from service;
- Table IV, containing a detailed balance sheet as at December 31, 2006.

TABLE I
Total expenditure (by expenditure item) and income (by type of income)
for 2006, compared with the initial budget for the 2006-2007 biennium
and the revised budget proposed for 2006-2007

(in thousands of Swiss francs)

	Amount of expenditure for 2006	Initial budget 2006-2007	Revised budget 2006-2007	Actual/initial budget	Actual/revised budget
	(A)	(B)	(C)	Percentage (A/B)	Percentage (A/C)
A. Personnel resources					
Posts	153,604	292,110	315,684	52.6	48.7
Temporary staff	23,756	45,394	48,556	52.3	48.9
Consultants	5,583	12,600	10,587	44.3	52.7
Special service agreements	2,601	3,799	6,304	68.5	41.3
Total A	185,544	353,903	381,131	52.4	48.7
B. Other resources					
<i>Travel and fellowships</i>					
Staff missions	6,428	8,123	11,863	79.1	54.2
Third party travel	5,761	18,023	23,725	32.0	24.3
Fellowships	1,175	3,752	4,980	31.3	23.6
<i>Contractual services</i>					
Conferences	2,173	5,321	5,934	40.8	36.6
Expert fees	642	2,654	2,035	24.2	31.5
Publications	219	5,865	1,956	3.7	11.2
Other	16,931	36,806	51,082	46.0	33.1
<i>Operating expenses</i>					
Premises and maintenance	26,055	64,412	55,435	40.5	47.0
Communications and other	5,188	7,523	10,839	69.0	47.9
<i>Equipment and supplies</i>					
Furniture and equipment	981	10,409	3,883	9.4	25.3
Supplies	1,940	8,952	7,577	21.7	25.6
<i>Construction</i>	0	0	0	-	-
Total B	67,493	171,840	179,309	39.3	37.6
C. Not allocated	0	5,257	1,702	0.0	0.0
Total expenditure	253,037	531,000	562,142	47.7	45.0

	Amount of income for 2006	Initial budget 2006-2007	Revised budget 2006-2007	Actual/initial budget	Actual/revised budget
	(A)	(B)	(C)	Percentage (A/B)	Percentage (A/C)
<i>Contributions</i>	17,284	34,500	34,500	50.1	50.1
<i>Fees</i>					
PCT Union	222,536	398,000	445,300	55.9	50.0
Madrid Union	43,033	81,500	87,273	52.8	49.3
Hague Union	2,424	5,500	4,927	44.1	49.2
Lisbon Union	1	0	10	-	10.0
Total fees	267,994	485,000	537,510	55.3	49.9
<i>Other income</i>					
Bank interest	6,425	4,000	13,100	160.6	49.0
Publications	1,568	3,600	3,000	43.5	52.3
Miscellaneous income	4,199	3,900	7,000	107.7	60.0
Total of other income	12,192	11,500	23,100	106.0	52.8
Total income	297,470	531,000	595,110	56.0	50.0

TABLE II
Estimate of reserve and working capital funds, end 2006
(in thousands of Swiss francs)

Reserve Funds	Contribution-financed unions	PCT Union	Madrid Union	Hague Union	Lisbon Union	Arbitration Center	Total
<i>Amount as at December 31, 2005</i>	17,678	85,746	15,053	95	103	(62)	118,613
Transactions 2006							
<i>Surplus</i>							
Result end 2006 *	1,551	31,653	12,108		2		45,314
<i>Deficit</i>							
Result end 2006				(328)		(554)	(882)
Amount as at December 31, 2006	19,229	117,399	27,161	(233)	105	(616)	163,045

Working capital funds	Contribution-financed unions	PCT Union	Madrid Union	Hague Union			Total
<i>Amount as at December 31, 2006</i>	4,082	2,000	2,000	260			8,342

Outstanding contributions	7,887	-	-	-	-	-	7,887
Arrears of contributions (frozen account)	4,545	-	-	-	-	-	4,545
Outstanding working capital	62	-	-	-	-	-	62

* Considering that the Madrid Union surplus is allocated in full to the Union reserve. The Madrid Assembly is the competent authority for determining whether this surplus must be fully or partially distributed to the Member States of the Union or allocated to investments for the Madrid system. A proposal to this effect will be submitted to the Union Assembly in September 2007.

TABLE III
Changes in and amounts of funds for separation from service
and medical benefits following separation from service
(in millions of Swiss francs)

	Funds for separation from service	Funds for medical benefits following separation from service	Total
Situation of arrears as at December 31, 2005	11	13	24
Allocation 2006	2	6	8
Transfers 2006	(1)	0	(1)
Situation of arrears as at December 31, 2006	12	19	31
Amount of outstanding obligation *	16.2	54.7	70.9
Amount of outstanding arrears	4.2	35.7	39.9

* On the basis of an actuarial evaluation done in December 2005 by an independent office. An additional study will be done before the end of the 2006-2007 biennium in order to update these figures.

TABLE IV
Balance sheet as at December 31, 2006
(in Swiss francs)

Assets

Francs	
<i>Liquid assets</i>	
Cash	8,656.74
Postal cheques	545,372.70
Bank accounts	303,077,246.15
	303,631,275.59
<i>Advances</i>	
Miscellaneous advances	6,307,034.94
International Union for the Protection of New Varieties of Plants (UPOV)	547,701.68
Funds-in-trust	1,305,410.30
	8,160,146.92
<i>Debtor accounts</i>	
Outstanding contributions (excluding arrears of contributions of the least developed countries (LDCs) entered in the special (frozen) account)	
Paris Union	2,857,956.00
Berne Union	847,070.00
IPC Union	41,279.00
Nice Union	37,161.00
Locarno Union	2,247.00
WIPO Convention	4,452.00
Single contributions	4,097,248.82
	7,887,413.82
Arrears of contributions of least developed countries (LDCs) entered in the special (frozen) account	
Paris Union	3,110,722.00
Berne Union	1,304,834.00
WIPO Convention	129,642.00
	4,545,198.00
Outstanding working capital funds	
Paris Union	54,917.00
Berne Union	6,622.00
PCT Union	-
	61,539.00
Sundry debtors	
	3,986,901.93
	16,481,052.75
<i>Transitional assets</i>	
Transitional asset account	1,086,572.09
<i>Loan</i>	
Loan to the Fondation du Centre International de Genève (Geneva International Center Foundation)	10,000,000.00
<i>Movable and immovable property</i>	
Furniture, equipment and sundry inventories	1.00
Buildings and amortization	35,197,135.50
	35,197,136.50
Total	374,556,183.85

TABLE IV
Balance sheet as at December 31, 2006
(in Swiss francs)

Liabilities

Francs	
<i>Creditors</i>	
Advance payment of contributions	376,579.99
Sundry creditors	82,712,093.75
<i>Fondation des Immeubles pour les Organisations Internationales</i> (International Organizations Buildings Foundation) (FIPOI)	31,802,575.00
	114,891,248.74
<i>Transitional liabilities</i>	
Transitional liability account	1,672,740.26
<i>Distribution of fees and funds</i>	
Distribution of fees	55,675,326.15
Funds	30,929,151.06
	86,604,477.21
<i>Reserve fund *</i>	
Contribution-financed unions	17,678,315.97
PCT Union	85,745,559.55
Madrid Union	15,053,258.56
Hague Union	95,395.86
Lisbon Union	102,520.63
Arbitration and Mediation Center	(62,212.57)
	118,612,838.00
<i>Working capital funds **</i>	
PCT Union	1,592,894.11
Berne Union	1,300,000.00
IPC Union	1,000,000.00
Nice Union	160,000.00
Locarno Union	29,494.00
PCT Union	2,000,000.00
Madrid Union	2,000,000.00
Hague Union	260,000.00
	8,342,388.11
Result to be allocated	44,432,491.53
Total	374,556,183.85

* The reserve funds are not totally financed, they must be reduced by the outstanding contributions and the arrears of contributions appearing in the balance sheet assets.

** The working capital funds are not totally financed, they must be reduced by the outstanding working capital funds which appear in the balance sheet assets.

20. During the eleventh session of the WIPO Program and Budget Committee, which was held from June 25 to 28, 2007, the following comment was made in the discussion (document WO/PBC/11/17 Prov., paragraph 18):

“18. Discussions were based on document WO/PBC/11/4. Interventions were made by the Delegations of France and the Netherlands.”

21. The Program and Budget Committee took note of the information contained in the Interim Financial Statement for 2006 as contained in document WO/PBC/11/4 (document WO/PBC/11/17 Prov., paragraph 19).

IV. Status of Payment of Contributions as of July 1, 2007

*Arrears in Annual Contributions
(Except for Arrears of the Least Developed Countries,
Placed in a specific (Frozen) Account
Concerning the Years Preceding 1990)*

22. The following table shows the arrears in contributions on July 1, 2007, under the unitary contribution system which has been applicable since January 1, 1994, and under the previously applicable contribution systems of the six Contribution-financed Unions (Paris, Berne, IPC, Nice, Locarno, Vienna) and of WIPO (for States members of WIPO not members of any of the Unions), with the exception of arrears in contributions of the least developed countries (LDCs) concerning the years preceding 1990, placed in a special (frozen) account, which are not shown in this table but are shown in the table in paragraph 26, below.

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
Afghanistan	Unitary	07		1 424	0.01
Albania		No arrears			
Algeria	Unitary	06+07		11 394	0.11
Andorra		No arrears			
Angola		No arrears			
Antigua and Barbuda		No arrears			
Argentina	Unitary	07*		87 567	0.81
Armenia		No arrears			
Australia		No arrears			
Austria		No arrears			
Azerbaijan		No arrears			
Bahamas		No arrears			
Bahrain		No arrears			
Bangladesh		No arrears			
Barbados		No arrears			
Belarus		No arrears			
Belgium		No arrears			
Belize		No arrears			
Benin		No arrears			
Bhutan		No arrears			
Bolivia	Unitary	96*+97+98+99+00+01+02+03+04+05+06+07		33 821	0.31
Bosnia and Herzegovina		No arrears			
Botswana		No arrears			
Brazil	Unitary	05+06+07		273 474	2.52
Brunei Darussalam		07		5 697	0.05
Bulgaria		No arrears			
Burkina Faso	Unitary	03*+04+05+06+07		6 557	0.06
Burundi	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	21 787		
	Paris	90+91+92+93	13 276	35 063	0.32
Cambodia		No arrears			
Cameroon		No arrears			
Canada		No arrears			
Cape Verde	Unitary	98+99+00+01+02+03+04+05+06+07		14 732	0.14
Central African Republic	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	21 787		
	Paris	90+91+92+93	13 276		

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
	Berne	90+91+92+93	7 460	42 523	0.39
Chad	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	21 787		
	Paris	90+91+92+93	13 276		
	Berne	90+91+92+93	7 460	42 523	0.39
Chile	Unitary	07		11 395	0.11
China	Unitary	07		341 842	3.15
Colombia	Unitary	06*+07		11 541	0.11
Comoros	Unitary	06+07		2 848	0.03
Congo	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	43 583		
	Paris	88*+89+90+91+92+93	89 039		
	Berne	88+89+90+91+92+93	64 273	196 895	1.82
Costa Rica		No arrears			
Côte d'Ivoire	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	47 129		
	Paris	92+93	27 597		
	Berne	91*+92+93	36 954	111 680	1.03
Croatia		No arrears			
Cuba		No arrears			
Cyprus		No arrears			
Czech Republic		No arrears			
Democratic People's Republic of Korea		No arrears			
Democratic Republic of the Congo	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	21 787		
	Paris	90+91+92+93	159 959		
	Berne	90+91+92+93	90 326	272 072	2.51
Denmark		No arrears			
Djibouti	Unitary	03+04+05+06+07		7 120	0.07
Dominica	Unitary	06+07		5 698	0.05
Dominican Republic	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	64 217		
	Paris	63+64+65+66+67+68+69+70+71+72+73+74+75+76+77+78+79+80+81+82+83+84+85+86+87+88+89+90+91+92+93	969 910	1 034 127	9.54
Ecuador		No arrears			
Egypt		No arrears			
El Salvador		No arrears			
Equatorial Guinea		No arrears			
Eritrea	Unitary	07		1 424	0.01
Estonia		No arrears			
Ethiopia		No arrears			
Fiji		No arrears			
Finland		No arrears			
France	Unitary	07*		839 937	7.75
Gabon	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	47 129		
	Paris	84*+85+86+87+88+89+90+91+92+93	206 211		
	Berne	84+85+86+87+88+89+90+91+92+93	122 832	376 172	3.47
Gambia	Unitary	97*+98+99+00+01+02+03+04+05+06+07		16 252	0.15
Georgia		No arrears			
Germany		No arrears			
Ghana	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	43 583		
	Paris	83*+84+85+86+87+88+89+90+91+92+93	199 582		
	Berne	93	3 823	246 988	2.28

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
Greece	Unitary	07*		68 366	0.63
Grenada	Unitary	07		2 849	0.03
Guatemala		No arrears			
Guinea	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	21 787		
	Paris	90+91+92+93	13 276		
	Berne	90+91+92+93	7 460	42 523	0.39
Guinea-Bissau	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	21 787		
	Paris	90+91+92+93	13 276		
	Berne	92+93	3 858	38 921	0.36
Guyana	Unitary	06*+07		5 679	0.05
Haiti	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	21 787		
	Paris	90*+91+92+93	10 428	32 215	0.30
Holy See		No arrears			
Honduras		No arrears			
Hungary		No arrears			
Iceland		No arrears			
India		No arrears			
Indonesia	Unitary	06*+07		45 701	0.42
Iran (Islamic Republic of)	Unitary	07		45 579	0.42
Iraq	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07	115 386		
	Paris	84+85+86+87+88+89+90+91+92+93	410 582	525 968	4.85
Ireland		No arrears			
Israel	Unitary	07		91 158	0.84
Italy	Unitary	07*		591 559	5.46
Jamaica	Unitary	07		2 849	0.03
Japan	Unitary	07*		836 375	7.72
Jordan	Unitary	07		2 849	0.03
Kazakhstan		No arrears			
Kenya	Unitary	07*		105	0.00
Kuwait	Unitary	06+07		22 790	0.21
Kyrgyzstan		No arrears			
Lao People's Democratic Republic		No arrears			
Latvia		No arrears			
Lebanon ²	Unitary	94+95+96+97+98+99+00+01+02+03+04+05+06+07*	50 746		
	Paris	86+87+88+89+90+91+92+93	201 698		
	Berne	85*+86+87+88+89+90+91+92+93	273 940		
	Nice	85+86+87+88+89+90+91+92+93	23 502	549 886	5.07
Lesotho		No arrears			
Liberia		No arrears			
Libyan Arab Jamahiriya	Unitary	00*+01+02+03+04+05+06+07		63 472	0.59
Liechtenstein		No arrears			
Lithuania	Unitary	07		11 395	0.11
Luxembourg		No arrears			
Madagascar	Unitary	07		1 424	0.01
Malawi		No arrears			
Malaysia		No arrears			

²

Installment plan concluded in July 2006 in order to settle the arrears of the Paris, Berne and Nice Unions and under the unitary contribution system by ten yearly installments. The first installment payment was received during the year 2007.

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (Swiss francs)		% of Total Arrears
Maldives	Unitary	07		1 424	0.01
Mali	Unitary	07*		1 174	0.01
Malta		No arrears			
Mauritania	Unitary Paris Berne	94+95+96+97+98+99+00+01+02+03+04+05+06+07 90+91+92+93 90+91+92+93	21 787 13 276 7 460	42 523	0.39
Mauritius		No arrears			
Mexico	Unitary	07*		218 779	2.02
Micronesia (Federated States of)	Unitary	05*+06+07		5 951	0.05
Moldova		No arrears			
Monaco		No arrears			
Mongolia		No arrears			
Montenegro	Unitary	07		11 395	0.11
Morocco		No arrears			
Mozambique		No arrears			
Myanmar	Unitary	07		1 424	0.01
Namibia		No arrears			
Nepal	Unitary	07		1 424	0.01
Netherlands		No arrears			
New Zealand		No arrears			
Nicaragua	Unitary	06*+07		5 607	0.05
Niger	Unitary Paris Berne	94+95+96+97+98+99+00+01+02+03+04+05+06+07 90+91+92+93 90+91+92+93	21 787 13 276 7 460	42 523	0.39
Nigeria	Unitary Paris	94+95+96+97+98+99+00+01+02+03+04+05+06+07 91*+92+93	284 704 237 156	521 860	4.82
Norway		No arrears			
Oman		No arrears			
Pakistan		No arrears			
Panama	Unitary	07		2 849	0.03
Papua New Guinea	Unitary	06+07		5 698	0.05
Paraguay		No arrears			
Peru	Unitary	05*+06+07		12 739	0.12
Philippines	Unitary	06*+07		7 977	0.07
Poland	Unitary	07*		34 188	0.32
Portugal	Unitary	07*		52 743	0.49
Qatar		No arrears			
Republic of Korea		No arrears			
Romania		No arrears			
Russian Federation		No arrears			
Rwanda		No arrears			
Saint Kitts and Nevis		No arrears			
Saint Lucia	Unitary	07		2 849	0.03
Saint Vincent and the Grenadines	Unitary	06+07		5 698	0.05
Samoa		No arrears			
San Marino		No arrears			
Sao Tome and Principe	Unitary	99+00+01+02+03+04+05+06+07		12 974	0.12
Saudi Arabia		No arrears			
Senegal		No arrears			
Serbia	Unitary Paris Berne Nice	94+95+96+97+98+99+00+01 93* 91+92+93 93	847 668 79 996 135 984 6 447		

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
	Locarno	93	2 247	1 072 342	9.90
Seychelles	Unitary	07		2 849	0.03
Sierra Leone		No arrears			
Singapore		No arrears			
Slovakia		No arrears			
Slovenia		No arrears			
Somalia	Unitary WIPO	94+95+96+97+98+99+00+01+02+03+04+05+ 06+07 90+91+92+93	21 787 4 452	26 239	0.24
South Africa		No arrears			
Spain		No arrears			
Sri Lanka		No arrears			
Sudan		No arrears			
Suriname	Unitary Paris Berne IPC Nice	94+95+96+97+98+99+00+01+02+03+04+05+ 06+07 90+91+92+93 90+91+92+93 89*+90+91+92+93 90+91+92+93	43 583 64 819 36 540 40 166 5 432	190 540	1.76
Swaziland	Unitary	07		2 849	0.03
Sweden		No arrears			
Switzerland		No arrears			
Syrian Arab Republic		No arrears			
Tajikistan		No arrears			
Thailand		No arrears			
The former Yugoslav Republic of Macedonia		No arrears			
Togo	Unitary Paris Berne	94+95+96+97+98+99+00+01+02+03+04+05+ 06+07 92+93 92+93	21 787 6 899 3 858	32 544	0.30
Tonga		No arrears			
Trinidad and Tobago		No arrears			
Tunisia	Unitary	07*		5 133	0.05
Turkey		No arrears			
Turkmenistan		No arrears			
Uganda	Unitary	07*		453	0.00
Ukraine		No arrears			
United Arab Emirates	Unitary	07		11 395	0.11
United Kingdom		No arrears			
United Republic of Tanzania		No arrears			
United States of America	Unitary	06*+07		1 462 659	13.50
Uruguay	Unitary	05+06+07		17 091	0.16
Uzbekistan		No arrears			
Venezuela		No arrears			
Viet Nam		No arrears			
Yemen	Unitary	07		1 424	0.01
Zambia		No arrears			
Zimbabwe	Unitary	06+07		5 698	0.05

Total amount of arrears

Unitary Contributions		7 186 702	
Contribution-financed Unions and WIPO		3 648 742	
Grand Total		10 835 444	100.00

Observations

23. The total amount of the overdue contributions was, on July 1, 2007, about 10.8 million francs, of which 7.2 million francs concern the unitary contribution system, whereas 3.6 million francs concern the pre-1994 contributions in respect of the Contribution-financed Unions and WIPO. The total amount of arrears corresponds to 62% of the amount of the contributions payable for 2007, namely, 17.4 million francs.

24. Any payment that reaches the International Bureau between July 1 and September 21, 2007, will be reported to the Assemblies in a separate document.

25. The list of States with loss of voting right in one or more Assemblies as of September 21, 2007, will be communicated on request.

*Arrears in Annual Contributions
of the Least Developed Countries, Placed in a Special
(Frozen) Account Concerning the Years Preceding 1990*

26. It is recalled that, in accordance with the decision taken by the WIPO Conference and the Assemblies of the Paris and Berne Unions at their 1991 ordinary sessions, the amount of the arrears in contributions of any least developed country (LDC) relating to years preceding 1990 was placed in a special account, the amount of which was frozen as of December 31, 1989 (documents AB/XXII/20 and AB/XXII/22, paragraph 127). Such arrears in contributions, as of July 1, 2007, concerning the Paris and Berne Unions and concerning WIPO are shown in the following table. Any payment that reaches the International Bureau between July 1 and September 21, 2007, will be reported to the Assemblies in a separate document.

State	Union/ WIPO	Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
Burkina Faso	Paris	77*+78+79+80+81+82+83+84+85+86+ 87+88+89	217 518		7.81
	Berne	77+78+79+80+81+82+83+84+85+86+87+ 88+89	137 566	355 084	
Burundi	Paris	78+79+80+81+82+83+84+85+86+87+88+ 89		214 738	4.72
Central African Republic	Paris	76*+77+78+79+80+81+82+83+84+85+ 86+87+88+89	273 509		8.54
	Berne	80*+81+82+83+84+85+86+87+88+89	114 858	388 367	
Chad	Paris	71+72+73+74+75+76+77+78+79+80+81+ 82+83+84+85+86+87+88+89	250 957		8.96
	Berne	72+73+74+75+76+77+78+79+80+81+82+ 83+84+85+86+87+88+89	156 387	407 344	
Democratic Republic of the Congo	Paris	81*+82+83+84+85+86+87+88+89	500 200		17.63
	Berne	81*+82+83+84+85+86+87+88+89	301 015	801 215	
Gambia	WIPO	83+84+85+86+87+88+89		55 250	1.22
Guinea	Paris	83+84+85+86+87+88+89	148 779		5.06
	Berne	83*+84+85+86+87+88+89	81 293	230 072	
Guinea-Bissau	Paris	89		23 213	0.51
Haiti	Paris	79*+80+81+82+83+84+85+ 86+87+88+89		347 037	7.64
Mali	Paris	84+85+86+87+88+89	132 377		6.55
	Berne	76*+77+78+79+80+81+82+ 83+84+85+86+87+88+89	165 124	297 501	
Mauritania	Paris	77*+78+79+80+81+82+83+84+85+86+ 87+88+89	219 120		8.14
	Berne	74+75+76+77+78+79+80+81+82+83+84+ 85+86+87+ 88+89	150 618	369 738	
Niger	Paris	81+82+83+84+85+86+87+88+89	179 097		6.36
	Berne	80*+81+82+83+84+85+86+87+88+89	110 069	289 166	
Somalia	WIPO	83+84+85+86+87+88+89		55 250	1.22
Togo	Paris	84+85+86+87+88+89	132 377		4.84
	Berne	83*+84+85+86+87+88+89	87 785	220 162	
Uganda	Paris	74*+75+76+77+78+79+80+81+82+ 83+84+85+86+87+88+89		238 420	5.25
United Republic of Tanzania	Paris	81*+82+83+84+85+86+87+88+89		233 380	5.13
Yemen	WIPO	87*+88+89		19 142	0.42

Total amount of arrears

Paris	3 110 722	
Berne	1 304 715	
WIPO	129 642	
Grand Total	4 545 079	100.00

Amounts due towards the Working Capital Funds

27. The following table shows the amounts due, on July 1, 2007, in the payments by States towards the working capital funds that have been constituted, namely, those of two Contribution-financed Unions (Paris and Berne). Any payment that reaches the International Bureau between July 1 and September 21, 2007, will be reported to the Assemblies in a separate document.

State	Union	Amount due (Swiss francs)	
Burundi	Paris		7 508
Central African Republic	Paris		943
Chad	Paris	6 377	
	Berne	1 980	8 357
Democratic Republic of the Congo	Paris	14 057	
	Berne	1 727	15 784
Dominican Republic	Paris		2 051
Guinea	Paris	7 508	
	Berne	2 915	10 423
Iraq	Paris		6 665
Mauritania	Paris		1 854
Niger	Paris		1 767

Total amount due towards the Working Capital Funds

Paris Union	48 730
Berne Union	6 622
Grand Total	55 352

Evolution of arrears in contributions and Working Capital Funds over the last ten years

28. The following table gives the amounts of arrears in contributions (including the "frozen" arrears of the LDCs) and Working Capital Funds (WCF) since 1997.

Arrears in contributions as of December 31 (millions of francs)					
Year	Unitary contribution	Contribution-financed Unions	"Frozen" arrears	WCF	Total
1997	5.0	6.4	4.7	0.1	16.2
1998	4.2	6.2	4.7	0.1	15.2
1999	3.9	5.7	4.7	0.1	14.4
2000	4.9	5.4	4.7	0.1	15.1
2001	3.9	5.0	4.7	0.1	13.7
2002	3.0	4.3	4.6	0.1	12.0
2003	4.4	4.1	4.6	0.1	13.2
2004	3.1	3.9	4.6	0.1	11.7
2005	3.4	3.8	4.6	0.1	11.9
2006	4.1	3.8	4.5	0.1	12.5

29. The Program and Budget Committee recommended to the General Assembly the approval of the 2004-2005 Financial Management Report (document FMR/2004-2005) (document WO/PBC/11/17 Prov., paragraph 13).

The Program and Budget Committee took note of the information contained in the Interim Financial Statement for 2006 as contained in document WO/PBC/11/4 (document WO/PBC/11/17 Prov., paragraph 19).

30. The Assemblies of the Member States of WIPO are invited to:

(i) approve the accounts for the 2004-2005 biennium (paragraphs 2 to 18, above);

(ii) approve the Financial Management Report 2004-2005 (document FMR/2004-2005);

(iii) take note of the interim financial statement for 2006 (paragraphs 19 to 21, above);

(iv) note the status of the payment of contributions as of July 1, 2007 (paragraphs 22 to 28, above).

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