

WIPO



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WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

PROGRAM AND BUDGET COMMITTEE

Twelfth Session Geneva, September 11 to 14, 2007*

REPORT

adopted by the Program and Budget Committee

1. The twelfth session of the WIPO Program and Budget Committee (PBC) was held at the headquarters of WIPO from September 11 to 14, 2007. (Due to the workload, it was decided that the original duration of the session i.e., September 11 to 13, should be extended through September 14, 2007).

2. The Committee is composed of the following Member States: Algeria, Argentina, Brazil, Bulgaria, Canada, Chile, China, Colombia, Czech Republic, Ecuador, Egypt, France, Germany, Honduras, Hungary, India, Iran (Islamic Republic of), Italy, Japan, Kazakhstan, Kenya, Mexico, Morocco, Netherlands, Nigeria, Pakistan, Philippines, Republic of Korea, Romania, Russian Federation, Senegal, Slovakia, South Africa, Spain, Sri Lanka, Switzerland (*ex officio*), Thailand, Ukraine, United Kingdom, United States of America of America and Zambia (41). The members of the Committee which were represented at this session were the following: Algeria, Argentina, Brazil, Bulgaria, Canada, Chile, China, Colombia, Czech Republic, Ecuador, Egypt, France, Germany, Italy, Iran (Islamic Republic of), Japan, Mexico, Morocco, Netherlands, Nigeria, Pakistan, Republic of Korea, Romania, Russian Federation, Slovakia, South Africa, Spain, Switzerland (*ex officio*), Thailand, Ukraine, United Kingdom, United States of America and Zambia (33). In addition, the following States members of WIPO but not members of the Committee were represented as observers: Angola, Austria, Bangladesh, Barbados, Belarus, Bolivia, Burundi, Côte d'Ivoire, Denmark, Dominican Republic, El Salvador, Greece, Israel, Lesotho, Lithuania, Malaysia, Norway, Oman, Portugal, Singapore, Turkey, Uruguay and Viet Nam (23). The list of participants is annexed to the present document (Annex I).

* Please see paragraph 1.

3. The WIPO Audit Committee was represented at the session by Ambassador Khalil Issa Othman, Chairman, Pieter Zevenbergen, Vice-Chairman and Gian Piero Roz, Member.

ITEM 1 OF THE AGENDA:

OPENING OF THE SESSION
ADOPTION OF THE AGENDA

4. The session was chaired by Guilherme De Aguiar Patriota (Brazil). Carlotta Graffigna (Executive Director and Controller, WIPO) acted as Secretary.

5. Following the requests made by the Delegation of Italy (on behalf of Group B), for the inclusion of the desk-to-desk assessment report as an agenda item, and the request of the Delegation of Ukraine for the change of order between agenda items 4 and 5, the draft agenda was adopted with these amendments, as per Annex II of the present report (document WO/PBC/12/1).

6. Based on the request of the Delegation of Brazil and clarifications from the Controller, it was also agreed that the proposal by the Delegation of Brazil entitled “Broadening the PCT User Base and Strengthening the System by Means of a Prudent and Sustainable PCT Fee Reduction for Developing Countries”, would be officially distributed by the Secretariat as document WO/PBC/12/8 for consideration under item 4 of the adopted agenda.

7. Opening general statements were made by the Delegation of Algeria (on behalf of the African Group), the Delegation of Italy (on behalf of Group B), the Delegation of the Russian Federation (on behalf of the Group of Countries of Eastern Europe, Central Asia and the Caucasus), and the Delegation of the Republic of Korea. The content of these general statements is referred to under the relevant agenda items below.

ITEM 2 OF THE AGENDA:

REVISED BUDGET FOR THE 2006/07 BIENNIUM

8. Discussions were based on document WO/PBC/12/2. In introducing the document the Controller recalled that the revised budget for 2006/07 had been first discussed during the eleventh session of the PBC meeting held from June 25 to 28, 2007, and recalled that following those discussions, the PBC had (i) considered favorably the Revised Budget for 2006/07 biennium; (ii) looked forward to finalizing its recommendation in its September 2007 session; and (iii) expressed its support for activities required in 2006/07 to meet, *inter alia*, the international obligations of the Organization. The Controller also outlined the key elements of the proposed revised budget and confirmed that the text of the present document remained unchanged since the June session of the Committee. An updated version of the table showing the headcount of the Organization as of August 31, 2007, as well as posts (whether occupied, or vacant) was however distributed by the Secretariat, and is reproduced in Annex III of this report.

9. The Delegations of Algeria (on behalf of the African Group), France, Germany, Japan, Morocco, Netherlands, Pakistan, Russian Federation, Spain, Switzerland, the United States of

America and Zambia (on behalf of the Least Developed Countries (LDCs)) took the floor on this agenda item.

10. The Delegations of Algeria (on behalf of African Group), Pakistan, Russian Federation and Zambia (on behalf of the LDCs) supported the adoption of the revised 2006/07 budget as proposed in document WO/PBC/12/2.

11. The Delegation of Italy (on behalf of Group B) stressed the importance of ensuring cost savings, and noted that certain proposals such as the addition of new posts should only be taken in the context of the consideration of the report of the desk-to-desk assessment. The Delegations of Germany, Japan, France, Netherlands, Spain, Switzerland and the United States of America also expressed reservations regarding the proposal for three additional posts to compensate for those redeployed to security services, in view of recommendations contained in the report on the desk-to-desk assessment report and follow-up actions that might result there from.

12. The Delegations of Japan and the United States of America expressed concern regarding the proposed increase in the level of expenditures beyond what was required to comply with the Organization's international obligations under the treaties administered by it, indicating that these may prejudice a possible future decision by the PCT Assembly on the proposed reduction of the level of PCT fees. The Delegation of the United States of America recalled the recommendation of the Joint Inspection Unit (JIU) to freeze the Organization's budget pending the conclusion of desk-to-desk assessment with the exception of flexibility clause increases and requested further clarification as to the increases, beyond the levels which such a freeze would have made possible.

13. In response to questions from delegations, the Controller explained that any decision in respect of a possible reduction of PCT fees would only be applicable as of January 1, 2008, and would therefore not affect the level of income in the current biennium. She further clarified that if the recommendation of the JIU had been applied and a freeze, with the exception of the flexibility clause, would have been put in place in respect of the level of employment pending the results of the desk-to-desk assessment, the proposed revised budget would include 984 instead of 989 posts. This was because the Secretariat proposed five new posts in the revised budget in addition to those created under the flexibility clause, with a financial impact of 0.1 million Swiss francs in the current biennium.

14. The Delegation of Germany expressed its reservations concerning the proposal to make provisions to progressively cover the long term liabilities of the Organization for separation from service and After-Service Health Insurance (ASHI). It noted that discussions were held on this issue in various United Nations bodies and added that a similar proposal presented to the United Nations General Assembly within the context of the approval of the budget for UN Peacekeeping Operations was withdrawn. The Delegation stated that it could therefore not join consensus on the inclusion of the proposed provision in the revised budget for 2006/07 pending further discussions and clarification.

15. In response to the concern expressed by the Delegation of Germany, the Secretariat explained that the Organization had already included such provisions in its 2004/05 expenditures, as approved by Member States, and as disclosed in the 2004/05 Financial Management Report. It also noted that the proposal was being submitted to Member States in

order to apply prudent management and accounting principles, as well as to ensure compliance with accounting standards in the future to as great an extent as possible. The Secretariat also highlighted the support expressed by the External Auditor for this approach.

16. In response to the request of the Chair, the Legal Counsel clarified and expanded on the role, the competencies and the mandate of PBC, noting that it had been established as a subsidiary body of, and reporting to, the General Assembly, to address program, budget, finance and premises related issues. He further clarified that an Assembly had been constituted under each Treaty, and such Assemblies therefore dealt only with issues related to the specific Treaty under which they had been constituted. Therefore, the PBC makes recommendations concerning the whole Organization, while the Assemblies constituted under treaties make recommendations concerning their respective Treaty only.

17. The Program and Budget Committee recommended to the Assemblies of WIPO Member States the adoption of the Revised Budget for the 2006/07 biennium as proposed in document WO/PBC/12/2, with the exception of the proposal to create three additional posts over the initial budget to compensate for those redeployed to security services.

18. This recommendation is without prejudice to the 2008/09 Program and Budget or to making permanent any increased spending or increase in posts that go beyond original provisions of the 2006/07 budget with flexibility clause adjustments.

19. This recommendation is also without prejudice to follow up actions that may be taken on the results of the desk-to-desk review.

ITEM 3 OF THE AGENDA:

PROPOSED PROGRAM AND BUDGET FOR THE 2008/09 BIENNIUM

20. Discussions were based on document WO/PBC/12/3. The document was introduced by the Controller who recalled that the first reading of the Proposed Program and Budget for 2008/09 had taken place at the Committee's eleventh session held in June 2007, at which time the PBC had (i) expressed general support for the five strategic goals and framework of the proposed Program and Budget for the 2008/09 Biennium, (ii) expressed views and sought clarifications on a number of issues in relation thereto and (iii) looked forward to its September 2007 session to make its final recommendations to the General Assembly in this respect.

21. In her introduction, the Controller highlighted that the following changes had been made to the document, in response to the feedback received from the eleventh session of the Committee:

- (a) The diagram providing an overview of the 2008/09 WIPO Strategic Framework had been revised to include proposed 2008/09 budget figures as well as indicative headcount figures by program and strategic goal;
- (b) Where appropriate, charts included in the document had been updated to include a column indicating the figures as presented and approved under the Initial Budget for 2006/07;
- (c) An organigram had been included in the document to illustrate the organizational structure of the Secretariat of WIPO;
- (d) The summary tables which follow the program narratives had been expanded to include further information on budget figures as well as proposed human resource levels;
- (e) The narrative of Program 7 had been updated to more accurately reflect WIPO's activities in the full breadth of this Program's geographical coverage; and
- (f) The level of resources proposed to be allocated to Program 6 had been increased by one million Swiss francs, with a compensating reduction in the proposed level of unallocated resources, thus maintaining the overall level of the proposed 2008/09 budget unchanged.

22. Interventions on this item (including by way of general statements), were made by the Delegations of Algeria (on behalf of the African Group), Barbados, Brazil, Chile, China, Ecuador, Egypt, France, Germany, Italy (on behalf of Group B), Japan, Morocco, Netherlands, Republic of Korea, Romania, Russian Federation, South Africa, Switzerland, Thailand, United Kingdom, the United States of America and Zambia.

23. All delegations that spoke reiterated their support for the five strategic goals contained in the Proposed Program and Budget for the 2008/09 biennium and thanked the Secretariat for the work done to reflect the feedback of the June session of the Committee, and to provide additional information and data as requested.

24. The Delegation of Algeria (on behalf of African Group) emphasized the importance of activities under programs 3, 6 and 11 to the Group. It stated that the African Group could not support the 15% reduction of PCT fees, as the resulting loss of income of 68 million Swiss francs would negatively impact the implementation of 2008/09 programs.

25. The Delegations of France, Germany, Netherlands, Republic of Korea and the United States of America stated that they were not in a position to support the proposal to create 30 new regular budget posts to start regularizing a certain number of short term employees, before considering the recommendations contained in the desk-to-desk assessment report. In their view, the eventual regularization of 30 short-term staff, if any, should be headcount neutral (the Controller confirmed that it would be so) and should also ensure an overall reduction, in the long term, in the percentage of short-term employees as compared to the overall headcount of the Organization.

26. The Delegations of France, Netherlands, Republic of Korea, Switzerland and the United States of America expressed reservations regarding the formulation of a recommendation at

this time for the adoption of the proposed Program and Budget for 2008/09, in view of recommendations contained in the report on the desk-to-desk assessment and follow-up actions that might result there from, as well as the possible decision by the forthcoming PCT Assembly on a reduction of PCT fees.

27. Several delegations expressed their strong support for program activities directed at the implementation of the Development Agenda and stated that the Program and Budget for 2008/09 should ensure that such activities be allocated an appropriate level of resources.

28. The Delegation of Algeria (on behalf of the African Group) supported the recommendation to adopt the proposed Program and Budget for 2008/09 as presented in document WO/PBC/12/3, and pointed out that the desk-to-desk report had no legal status as it had not yet been adopted.

29. In reply to an intervention by the Delegation of Ecuador, on an erroneous entry in Appendix A of the Spanish language version of document WO/PBC/12/3, referring to Ecuador's contribution, the Secretariat stated that the error would be rectified in the final version of the document.

30. Following an intervention by the Delegation of Germany, it was agreed that in the final version of document WO/PBC/12/3, paragraph 30 would be amended to read "no change in the schedule of fees payable under the Madrid System to the International Bureau." (This would avoid any possible confusion in respect of the schedule of fees payable to designated countries as opposed to the fees payable to the International Bureau under the Madrid System).

31. The Delegation of Italy announced that, following the signing of a Memorandum of Understanding between WIPO and the Government of Italy earlier in the week, the footnote to Table IV in document WO/PBC/12/3, should be adjusted accordingly and the table updated with the appropriate figures once these were finalized.

32. The Delegation of Switzerland requested that the organigram appearing in document WO/PBC/12/3 be further expanded to the level of directors. (The Secretariat confirmed that a revised version of this organigram would be provided in the final version of the document.)

33. Following requests from the floor, the Secretariat provided clarifications in respect of various issues, including the distribution of personnel resources by strategic goal and individual program; the geographical and regional allocation of resources under Program 6 (Africa, Arab, Asia and Pacific, Latin America and the Caribbean Countries, Least Developed Countries), as well as under certain funds-in-trust; the rationale for the proposed increase in the level of resources for Programs 25 (Human Resources Management), 28 (Conference, Printing, Mailing and Language Services), 31 (New Construction) and 32 (Security).

34. In reply to a question from the Delegation of the United States of America, the Controller provided to the Delegation a table showing the extent to which the proposed increase of (approximately) 100 million Swiss francs from the initial 2006/07 budget to the proposed budget for 2008/09 may be attributed to flexibility adjustments, as compared to other factors, including funding of long term liabilities, salary scale adjustments and cost increases due to inflation.

35. *The Program and Budget Committee recommended to the Assemblies of WIPO Member States the Program and Budget for 2008/09 as proposed in document WO/PBC/12/3, for its implementation in 2008,*

- taking into account the clarifications given by the Secretariat and appearing in the report of the session of the Program and Budget Committee;

- with the exception of the transformation of 30 short term positions into regular budget posts and of the creation of three additional posts to compensate for those redeployed to security services, pending decisions that may be taken on the issue in light of the report of the desk-to-desk assessment; and

- with the recommendation to limit the budget of (new) Program 32 to the level of the (revised) budget for 2006/07 for security services (9.556 million Swiss francs), pending further consideration of the security issue.

36. *This recommendation was made with no prejudice to any adjustments to the Program and Budget for 2008/09 that may be required by:*

(i) the formal adoption of decisions, by the 2007 session of the Assemblies of the WIPO Member States, on the agreed proposals relating to a WIPO Development Agenda;

(ii) the formal adoption of decisions that may be taken by the 2007 session of the PCT Union Assembly in relation to the schedule of PCT fees;

(iii) the formal adoption of decisions that may be adopted by the 2007 session of the Assemblies of the WIPO Member States in respect of the report of the desk-to-desk assessment.

37. *The Program and Budget Committee also recommended to the Assemblies of the WIPO Member States to decide to consider a revised Program and Budget for 2008/09*

during their 2008 session for its implementation in 2009, in order to take into account any further changes that will be needed in light of the decision taken by the Assemblies under paragraph 36 above.

ITEM 4 OF THE AGENDA:

PROPOSAL BY THE UNITED STATES OF AMERICA TO REFLECT A 15% REDUCTION IN THE PATENT COOPERATION TREATY (PCT) INTERNATIONAL FILING AND HANDLING FEES EFFECTIVE JANUARY 1, 2008

38. Discussions were based on documents WO/PBC/12/5 and WO/PBC/12/8. The Delegation of Brazil introduced document WO/PBC/12/8 and its proposal that the 2007 session of the PCT Assembly consider, for a five year trial period, a reduction in the PCT international filing and handling fees of 37.5% for developing countries only, while maintaining the 75% reduction for countries with a *per capita* national income below 3,000 US dollars, as per the 1997 decision. The measure would be effective as of January 1, 2008. The Delegation added that this proposed fee reduction would lead to a reduction of approximately 3.33% in total collected PCT fees per year, which would not undermine the financial situation of the Organization.
39. The Delegations of the United States of America and Japan, as co-sponsors of the proposal, to reduce PCT international filing and handling fees by 15%, stated that this was now an official proposal on the agenda of the 2007 session of the PCT Assembly. The Delegation of the United States of America indicated that according to their calculations, the proposed fee reduction could be fully funded from the PCT Union's surplus without any adverse effect on spending in other areas of the Organization. The Delegation of Japan further noted that this proposal would benefit both natural persons and enterprises, thereby stimulating demand from all applicants.
40. The Delegations of Algeria (on behalf of the African Group), Barbados, Chile and Colombia indicated their support for the proposal put forward by Brazil, as this would benefit individual inventors, who currently filed only 10% of all PCT international applications.
41. The Delegations of Pakistan, Russian Federation and South Africa stated that they found the Brazilian proposal worth consideration but needed additional time and supplementary data to examine it in depth.
42. The Delegation of Ukraine stated that any outright reduction of PCT fees would negatively impact the financial situation of WIPO and that to determine the best way forward, several variants should be prepared to analyze its effect on the financial situation of the Organization. It proposed that instead of reducing the fees by 15% across the board as of January 1, 2008, the reduction should be broken down into annual percentage steps, i.e., introduction of a minimum 2 to 3 % reduction of the said fees in each budget period.
43. In response to requests for further clarifications from the Delegations of Algeria, Japan, Netherlands, Pakistan and the Republic of Korea, Mr. Francis Gurry, Deputy Director General, recalled that the current Fee Schedule of the PCT provided for a 75% reduction of the international filing fee for individuals from developing and other countries whose *per*

capita income, under the UN scale of assessments in 1995, 1996 or 1997, was under 3,000 United States dollars, and for a 75% reduction in respect of applications filed by all persons, whether natural or legal, from the Least Developed Countries. He distributed a number of tables for the information of members of the Committee (attached as Annex IV), which provided details of the countries of origin of PCT applications, whether these were filed by natural persons or legal entities, and the countries at present entitled to a 75% reduction. He further indicated that the estimated financial impact of the proposal put forward by the Delegation of Brazil would be to reduce PCT income by approximately 31,000 Swiss francs, since the reduction proposed would only create new reductions for natural persons in eight countries, only three of which had filed PCT applications in 2007, which did not already benefit from the higher reduction currently available in accordance with the Fee Schedule of the PCT. In response to questions from the floor, Mr. Gurry clarified that the PCT international filing fee is less than 1% of the total cost of filing an international patent, national and regional fees, translation costs and, in particular, agents' fees constituting a much larger part of the total cost.

44. In reply to a question by the Delegation of the United Kingdom, the Controller stated that estimated income levels for the 2010/11 biennium as appearing in Annex II of document WO/PBC/12/5 were based on the forecast models developed by the PCT, Madrid and Hague sectors. On the other hand, the estimated level of expenditure appearing in the said Annex for 2010/11 was based on a zero growth budget scenario, taking, however, into account the additional workload of the PCT and Madrid systems (which would require additional resources in the corresponding programs), as well as mandatory adjustments in the salary scale and a three per cent per year inflation rate for non personnel expenditure.

45. The Delegation of China noted that it hoped for an effective method of fee reduction that would be sufficiently attractive for developing countries and requested that the list of countries where the average income per capita was 3,000 US dollars would be reviewed and updated.

46. The Delegation of Brazil indicated that it would consider refining and fine-tuning its proposal to be formally presented to the forthcoming session of the PCT Assembly. It also requested the Secretariat to present figures for a scenario where the countries currently entitled to the 75% reduction, together with the eight or nine additional ones that would be covered by the criteria suggested by Brazil in its current proposal, would benefit from a 100% reduction.

47. The Delegation of the Republic of Korea called on Member States to adopt a flexible attitude during their discussion of the proposed reduction of PCT fees with a view to reaching a compromise which would benefit all parties concerned, in particular the developing countries and the LDCs. He invited the Committee to consider for instance a 15% reduction in PCT fees as of January 1, 2008, for all applications filed by natural persons regardless of their country of origin. (The Secretariat had earlier stated that filings by natural persons represented around 10 per cent of total PCT filings).

48. The Delegation of the Russian Federation stressed that any significant reduction of PCT fees would have a negative effect on the Organization's ability to implement program activities, especially at a time when the Organization was engaged in the implementation of the Development Agenda.

49. The Program and Budget Committee took note and expressed views on the proposals contained in documents WO/PBC/12/5 and WO/PBC/12/8. The Committee sought and received clarifications provided by the Secretariat on a number of issues in relation thereto, as reflected in the report of the session.

ITEM 5 OF THE AGENDA:

PROPOSED UTILIZATION OF RESERVES IN THE MEDIUM TERM

50. Discussions were based on documents WO/PBC/12/4 and WO/PBC/12/4(a), (b), (c) and (d). In introducing the item, the Controller recalled that, following the discussions on this subject at the eleventh session of the PBC, the Secretariat had prepared this revised proposal as a defined package of multi-year projects for funding out of available reserves in excess of the established target level as established by the Member States in the year 2000. She emphasized however that the proposal was based on the "status quo" in relation to the level of PCT fees and that any reduction in the level of PCT fees that may be decided by the forthcoming session of the PCT Assembly would require an adjustment of the present proposal. In case, for instance, of a reduction of 15 % as of January 1, 2008, none of the proposed projects could be financed unless member States were ready to see the reserves fall considerably below the target level.

51. Interventions on this item were made by the Delegations of Algeria (on behalf of the African Group), Argentina, Bangladesh, Brazil, Chile, Colombia, Ecuador, France, Germany, Iran (Islamic Republic of), Japan, Lesotho, Netherlands, South Africa, Switzerland, United Kingdom, United States of America and Zambia.

52. The Delegations of Japan and the United States of America indicated that they were not in a position to support the proposals set out. In the view of the Delegation of the United States of America, the proposal prejudiced the discussion on the possible reduction of PCT fees, and therefore, notwithstanding their support for the implementation of the PCDA recommendations, it considered that the proposal could not be supported as presented. The Delegation of Japan indicated that in their view, the users of PCT's services should be the primary beneficiaries of surpluses and reserves generated by the PCT.

53. The Delegations of Germany and the United Kingdom indicated openness to considering a possible fee reduction, but did not consider that this would necessarily have to be at the level of 15%. They did not feel it appropriate to indicate priorities among the proposed five projects at this time.

54. The Delegations of Algeria (on behalf of the African Group), Argentina, Brazil, Colombia, Ecuador, Iran, Lesotho, South Africa and Zambia indicated their support for the proposal, highlighting that their main priority was the funding of Development Agenda activities, although no objections were raised to funding of any of the other four proposed projects.

55. The Delegations of France, Netherlands and Switzerland stated that they supported raising the target level of reserves as per recommendation of the External Auditor, although not necessarily to 25% of biennial expenditure, if this was not financially feasible at this time.

56. A number of questions were raised by the Delegations of France, Germany, the Netherlands, Switzerland and the United Kingdom regarding the role of the Project Board proposed by the Secretariat in document WO/PBC/12/4(a).

57. In response to these questions, the Controller clarified that the proposed Board would be made up of WIPO senior staff, whose role would be to assure Member States that the proposed funds are used meaningfully and only for the purpose of the Development Agenda. This mechanism was also proposed in order to strengthen the internal oversight mechanism for implementation of the activities as approved by Member States.

58. The Delegation of Switzerland indicated that, while it fully supported the decision which had been taken within the framework of the PCDA, in their view it was premature to decide on the allocation of reserves for the implementation of activities related to the Development Agenda. An increased level of resources had already been proposed for Development Agenda activities in the Revised Budget for 2006/07 as well as in the proposed Program and Budget for 2008/09, while the full overview and plan for the implementation of the 45 recommended proposals has not yet been elaborated.

59. In reply to questions by the Delegations of France, Netherlands and United Kingdom, the Controller stated that the proposed earmarking of five million Swiss francs from the reserves for the implementation of Development Agenda activities, was intended to complement funding already available under several programs of the regular budget, and that this complementary proposal had been made also in view of the fact that the implementation of the Development Agenda may involve multi-year projects, which would be more appropriate to fund from resources made available beyond the biennial timeframe.

60. The Program and Budget Committee took note of the five projects presented by the Secretariat under agenda item 5 and recommended to the 2007 session of the Assemblies of the WIPO Member States to take a decision on the implementation of these five projects.

ITEM 6 OF THE AGENDA:

REVISION OF THE FINANCIAL REGULATIONS AND RULES OF THE ORGANIZATION

61. The deliberations of the Committee were based on document WO/PBC/12/6. In introducing the item, the Controller stated that the draft Revised Financial Regulations and Rules contained in that document reflected the feedback received from the Member States following the Committee's eleventh session in June 2007, as well as the informal consultations held on July 20, 2007 as requested by the Committee. She added that following the circulation of the said document, the Secretariat had had a further exchange of views on

the subject with the Audit Committee, as reflected in the report of the September session of the latter (document WO/AC/6/2). The Audit Committee had made a number of recommendations and subject to the agreement of the Member States, the Secretariat was ready to reflect these in the final version of the proposed new Financial Regulations and Rules of the Organization.

62. In order to take into account the views of the Audit Committee on the revised Financial Regulations and Rules, the Chair of the Audit Committee was invited to present his report on the work of the Committee at this point. The text of his statement is attached to this document as Annex V (please also refer to agenda item 7).

63. Interventions on this agenda item were made by the Delegations of Colombia, France, Germany, Morocco, Romania, Spain, Switzerland, the United States of America, and Zambia.

64. All Delegations who spoke commended the Secretariat on the significant work done in developing the proposals under consideration. The Delegation of the United States of America stated that the proposals resulting from such extensive undertaking were a major improvement over the current system that could serve as an example to other organizations.

65. The Delegation of Spain raised the issue of a potential contradiction between draft Regulation 2.8 as appearing in document WO/PBC/12/6 and Article 11.4 of the WIPO Convention. Following other interventions from the floor and clarifications by the Controller, it was agreed to amend the text of draft Regulation 2.8 by deleting the words “in the second year of the financial period.”

66. The Delegation of the United States of America proposed, and the Committee agreed, to add the word “international” before the words “audit standards” in draft Regulation 8.4.

67. The Delegation of the United States of America also proposed to bring the term of office of the External Auditor into line with that applied by the UN system. Following several interventions from the floor and clarifications by the Secretariat, it was therefore agreed to amend the text of draft Regulation 8.2 by replacing the words “shall be appointed for a term of office of four years’ duration renewable only once” with the words “shall be appointed for a term of office of six years non renewable consecutively”.

68. The Delegation of France submitted for the consideration of the Committee a number of amendments to the text of certain draft Regulations and Rules as appearing in the document WO/PBC/12/6. In this connection, the Committee made a distinction between the amendments that could be recommended immediately to the Assembly for adoption and those that needed further analysis by the Committee. The latter related to flexibility adjustments under the PCT, Madrid and Hague systems as per draft Regulation 5.6.

69. Following several interventions from the floor and further clarifications and editorial suggestions by the Controller, the Committee agreed to recommend to the Assembly the amendments suggested by the Delegation of France as reproduced in Annex VII of the present report. It further agreed that it was not yet in a position to make a final recommendation on the text of draft Regulation 5.6, pending further analysis and input from the forthcoming sessions of the PCT, Madrid and Hague Assemblies, respectively.

70. *The Program and Budget Committee:*

(i) *took note of the information contained in document WO/PBC/12/6, as well as of the views expressed by the delegations and the Audit Committee;*

(ii) *recommended to the Assemblies of WIPO Member States the adoption of the new Financial Regulations as appended to document WO/PBC/12/6, with January 1, 2008, as date of entry into force, as amended to reflect the recommendations of the Audit Committee (as per paragraph 34 of document WO/AC/6/2), as well as to reflect the agreement reached by the Committee on a number of further amendments, as described in the report of the session. Regarding draft Regulation 5.6 (Flexibility Adjustments), the Committee agreed that it required further consultations before being in a position to make a recommendation to the Assemblies on the adoption of this provision, and proposed to continue examining this draft with a view to making a recommendation to the Assemblies at their 2008 session;*

(iii) *gave its positive advice on the establishment by the Director General of the new Financial Rules as appended to document WO/PBC/12/6, effective January 1, 2008 as amended to reflect, as appropriate, the recommendations of the Audit Committee (as per paragraph 34 of document WO/AC/6/2) as well as to reflect the agreement reached by the Committee on a number of further amendments, as described in the report of the session.*

ITEM 7 OF THE AGENDA:

BRIEFING BY THE CHAIR OF THE WIPO AUDIT COMMITTEE

71. The Chair of the WIPO Audit Committee, Ambassador Khalil Issa Othman, presented the report of the fifth and sixth sessions of the Audit Committee (documents WO/AC/5/2 and WO/AC/6/2 respectively). His statement is reproduced in Annex V of the present report.

72. The Program and Budget Committee took note of the statement made by the Chair of the WIPO Audit Committee and decided to attach a copy of the written statement to the report of the session.

ITEM 8 OF THE AGENDA:

REVIEW OF TERMS OF REFERENCE OF THE WIPO AUDIT COMMITTEE

73. The Chair introduced document WO/PBC/WG/2/07/4 (Report of the Working Group of the Program and Budget Committee on the meeting held on September 10, 2007) and its Annex, containing the proposed revised terms of reference of the WIPO Audit Committee.

74. The Program and Budget Committee considered the revised Terms of Reference of the WIPO Audit Committee and recommended to Assemblies of WIPO Member States to approve the Terms of Reference of the Audit Committee as contained in Annex III of document WO/PBC/WG/2/07/4, with the amendment consisting of replacing the word “program” with the words “budget allocation” in paragraph 15 of the said Annex.

ITEM 9 OF THE AGENDA:

REVIEW OF WIPO INTERNAL AUDIT CHARTER

75. The Chair introduced document WO/PBC/WG/2/07/4 (Report of the Working Group of the Program and Budget Committee on the meeting held on September 10, 2007) and its Annex, containing the proposed revised Internal Audit Charter.

76. The Program and Budget Committee considered the revised WIPO Internal Audit Charter and recommended to the Assemblies of WIPO Member States to approve the WIPO Internal Audit Charter as contained in Annex IV of document WO/PBC/WG/2/07/4.

ITEM 10 OF THE AGENDA:

PROGRESS REPORT ON THE NEW CONSTRUCTION PROJECT

77. Deputy Director General Philippe Petit introduced document WO/PBC/12/7. Deputy Director General Petit confirmed that the selection of the bank to fund the project as well as

that of the general contractor is under way with the aim of signing the respective contracts by the end of the year in order to ensure that work can begin, as planned, in February 2008. He also stated that the total cost of the project would only be known once the contract is concluded with the general contractor.

78. In response to the request of the Delegation of United Kingdom, Deputy Director General Petit informed the Member States that the risk register was available.

79. The Program and Budget Committee took note of the information provided in document WO/PBC/12/7.

ITEM 11 OF THE AGENDA:

DESK-TO-DESK ASSESSMENT REPORT

80. This item was introduced by Deputy Director General Francis Gurry, on behalf of the Secretariat. Deputy Director General Gurry provided the Committee with an overview of the conduct of the project and placed on record its gratitude to the Audit Committee for its guidance throughout the process, as well as to the Staff for its participation in the exercise and to the Staff Council for both its participation and the comments that it had prepared on the Final Report. He stated that the final report of the desk-to-desk project and the Secretariat's comments on the final report were being submitted to the General Assemblies in the September 2007 session for their consideration. He also stated that the methodology adopted by the Secretariat in preparing its comments had been guided by its willingness to embrace change and its focus on the recommendations contained in the report. He stated that, subject to the Member States finding the general orientation of the Secretariat's response acceptable, it would propose to Member States a mechanism and the organizational arrangements for the implementation of the recommendations. He further emphasized that the report's recommendations were not self-executing and would require in some cases un-packaging and detailed analysis prior to their implementation.

81. The Chair of the WIPO Audit Committee made a statement describing the Committee's involvement in the desk-to-desk review process and presented the Committee's observations and recommendations. This statement is reproduced in Annex VI of this report.

82. Interventions on this item were made by the Delegations of Algeria (on behalf of the African Group), France, Switzerland and the United States of America.

83. The Delegation of the United States of America indicated that it would welcome a detailed response from the Secretariat which would reflect the Audit Committee's observations and looked forward to considering and incorporating the Audit Committee's recommendations in the next biennial program and budget.

84. The Delegation of France expressed its satisfaction at seeing the publication of the desk-to-desk assessment final report, and its gratitude to the Secretariat for their comments. It noted a convergence between the Secretariat's comments and the recommendations of the Audit Committee, and believed that Member States would benefit from a presentation by Pricewaterhouse Coopers on the contents of the final report.

85. The Delegation of Switzerland stated that it appreciated the report from Pricewaterhouse Coopers, and believed that the Member States would need to focus on the contents of the report with a view to implementing the pertinent recommendations contained therein. It was of the opinion that the implementation of the recommendations would need to be included in the revised budget for the next biennium.

86. The Delegation of Algeria (on behalf of the African Group) sought clarification from the Secretariat in respect of the status of the final report on the desk-to-desk assessment.

87. The Program and Budget Committee took note of the statements provided by the Secretariat and the Chair of Audit Committee in this respect and requested that these be reflected in the report of the session.

ITEM 12 OF THE AGENDA:

ADOPTION OF THE REPORT

88. The Committee agreed that a draft summary report would be published on the WIPO website as soon as possible, to give time to delegations to make any observations or comments before the start of the Assemblies (September 24, 2007), after which date the report would be considered adopted.

ITEM 13 OF THE AGENDA:

CLOSING OF THE SESSION

89. The session was closed.

[Annexes follow]

ANNEXE I/ANNEX I

LISTE DES PARTICIPANTS/LIST OF PARTICIPANTS

I. ÉTATS MEMBRES/MEMBER STATES

*(dans l'ordre alphabétique des noms français des États/
in the alphabetical order of the names in French of States)*

AFRIQUE DU SUD/SOUTH AFRICA)

Simon Z. QOBO, First Secretary, Permanent Mission, Geneva

Susanna CHUNG (Ms.), Second Secretary, Permanent Mission, Geneva

ALGÉRIE/ALGERIA

Boumediene MAHI, secrétaire diplomatique, Mission permanente, Genève

ALLEMAGNE/GERMANY

Li-Feng SCHROCK, Head of Division, Federal Ministry of Justice, Berlin

Udo FENCHEL, Counsellor, Permanent Mission, Geneva

ARGENTINE/ARGENTINA

Inés Gabriela FASTAME (Ms.), Second Secretary, Permanent Mission, Geneva

BRÉSIL/BRAZIL

Guilherme DE AGUIAR PATRIOTA, Counsellor, Permanent Mission, Geneva

Cristiano FRANCO BERBERT, Second Secretary, Permanent Mission, Geneva

BULGARIE/BULGARIA

Dessislava PARUSHEVA (Mrs.), Second Secretary, Permanent Mission, Geneva

Maya DONEVA (Ms.), Intern, Permanent Mission, Geneva

Marina ANTONOVA (Ms.), Stagiére, Permanent Mission, Geneva

CANADA

Darren SMITH, Second Secretary, Permanent Mission, Geneva

CHILI/CHILE

Maximiliano SANTA CRUZ, Counsellor, Permanent Mission, Geneva

CHINE/CHINA

Suo KEWEI, Official, General Affairs Division, Trademark Office, State Administration of Industry and Commerce (SAIC), Beijing

Yanglig ZHAO (Ms.), First Secretary, Permanent Mission, Geneva

COLOMBIE/COLOMBIA

Martha Irma ALARCÓN LÓPEZ, Minister Counsellor, Permanent Mission, Geneva

ÉGYPTE/EGYPT

Ragui EL-ETREBY, First Secretary, Permanent Mission, Geneva

ÉQUATEUR/ECUADOR

Mauricio MONTALVO, Ambassador. Permanent Representative, Permanent Mission, Geneva

Luis VAYAS VALDIVIESO, First Secretary, Permanent Mission, Geneva

ESPAGNE/SPAIN

Miguel Angel VECION QUINTANA, Counsellor, Permanent Mission, Geneva

ÉTATS-UNIS D'AMÉRIQUE/UNITED STATES OF AMERICA

Lisa CARLE (Mrs.), Counsellor, Economic Affairs and Science Affairs, Permanent Mission, Geneva

Paul E. SALMON, Senior Counsel, Office of International Relations, United States Patent and Trademark Office, Alexandria, VA

FÉDÉRATION DE RUSSIE/RUSSIAN FEDERATION

Natalia R. AGEENKO (Mrs.), Director of Budget and Administration Department, Federal Service for Intellectual Property, Patents and Trademarks (ROSPATENT), Moscow

Natalia KRYLOVA (Mrs.), Head of Division of International Cooperation Department, Federal Service for Intellectual Property, Patents and Trademarks (ROSPATENT), Moscow

Evgeny KALUGIN, Third Secretary, Budget Sector, Permanent Mission, Geneva

FRANCE

Gilles BARRIER, Premier secrétaire, Mission permanente, Genève

Patricia RENOUL (Mme), conseiller, Mission permanente, Genève

ITALIE/ITALY

Stefania BENINCASA (Mrs.), Head, International and Community Trademarks Department, Italian Office of Trademarks and Patents, Ministry of Economic Development, Rome

Augusto MASSARI, First Secretary, Permanent Mission, Geneva

Francesco LUCCISANO, Permanent Mission, Geneva

JAPON/JAPAN

Takashi YAMASHITA, Director, Multilateral Policy Office, International Affairs Division, General Affairs Department, Patent Office, Tokyo

Atsushi SHIOMI, Deputy Director, International Affairs Division, General Affairs Department, Patent Office, Tokyo

Kenichiro NATSUME, First Secretary, Permanent Mission, Geneva

MAROC/MOROCCO

Mohammed BENJABEK, Conseiller, Mission permanente, Genève

MEXIQUE/MEXICO

Gustavo TORRES CISNEROS, Attaché, Permanent Mission, Geneva

NIGÉRIA/NIGERIA

Maigari Gurama BUBA, First Secretary, Trade Office, Permanent Mission, Geneva

PAKISTAN

Yousaf Rehan HAFIZ, Permanent Mission, Geneva

PAYS-BAS/NETHERLANDS

Irene KNOBEN (Mrs.), First Secretary, Permanent Mission, Geneva

RÉPUBLIQUE DE CORÉE/REPUBLIC OF KOREA

PARK Seong-Joon, First Secretary, Permanent Mission, Geneva

RÉPUBLIQUE ISLAMIQUE D'IRAN/THE ISLAMIC REPUBLIC OF IRAN

Yazdan NADALIZADEH, Counsellor, Permanent Mission, Geneva

RÉPUBLIQUE TCHÈQUE/CZECH REPUBLIC

Luděk CHURÁČEK, Director, Economic Department of the Industrial Property Office,
Prague

ROUMANIE/ROMANIA

Irina VALEANU (Mrs.), Director, Finance Directorate, State Office for Inventions and
Trademarks, Bucharest

Narcisa SANDULESCU (Ms.), Head of Human Resources Bureau, State Office for
Inventions and Trademarks, Bucharest

Livia Cristina PUSCARAGIU (Ms.), Second Secretary, Permanent Mission, Geneva

ROYAUME-UNI/UNITED KINGDOM

Dave WOOLF, C1 Policy Advisor, Intellectual Property and Innovation Directorate, United
Kingdom Intellectual Property Office, Newport

Nathaniel WAPSHERE, Second Secretary, Permanent Mission, Geneva

SLOVAQUIE/SLOVAKIA

Fedor ROSOCHÁ, First Secretary, Permanent Mission, Geneva

SUISSE/SWITZERLAND

Alexandra GRAZIOLI (Mme), Conseillère juridique, Division droit et affaires internationales, Institut fédéral de la propriété intellectuelle, Berne

Jürg HERREN, Chef de section, Division droit et affaires internationales, Institut fédéral de la propriété intellectuelle, Berne

Beatrice SCHAER BOURBEAU (Mrs.), Première secrétaire, Mission permanente, Genève

Stephanie GRATWOHL EGG (Mme), Collaboratrice diplomatique, Département fédéral des affaires étrangères, Berne

THAÏLANDE/THAILAND

Supavadee CHOTIKAJAN (Ms.), First Secretary, Permanent Mission, Geneva

UKRAINE

Natalia UDOVYTSKA (Mrs.), Head, Financial – Administrative Division, State Department of Intellectual Property of Ukraine, Kyiv

Stanislav YARMOSH, Chief Expert, European Integration and International Cooperation Division, State Department of Intellectual Property of Ukraine, Kyiv

ZAMBIE/ZAMBIA

Mathias DAKA, Deputy Permanent Representative, Permanent Mission, Geneva

II. OBSERVATEURS/OBSERVERS

ANGOLA

Angélica COSTA MDAIHLI (Mrs.), Troisième secrétaire, Mission permanente, Genève

AUTRICHE/AUSTRIA

Robert ULLRICH, Head, Legal Department C, Austrian Patent Office, Vienna

BANGLADESH

Muhammed Enayet MOWLA, Counsellor, Permanent Mission, Geneva

BARBADE/BARBADOS

Corlita BABB-SCHAEFER (Ms.), Counsellor, Permanent Mission, Geneva

BELARUS

Zakhar NAUMOV, First Secretary, Permanent Mission, Geneva

BOLIVIE/BOLIVIA

Sorka COPA (Mrs.), Second Secretary, Permanent Mission, Geneva

BURUNDI

Emmanuel NDABISHURIYE, Second Counsellor, Permanent Mission, Burundi

CÔTE D'IVOIRE

Kouassi Alexis SOUXI GALO, Attaché, Permanent Mission, Geneva

Moriko TEINOKO, Conseiller, Mission permanente, Genève

DANEMARK/DENMARK

Maria DRABAEK (Ms.), Stagiére, Permanent Mission, Geneva

EL SALVADOR

Martha Evelin MANJIVAR (Ms.), Counsellor, Permanent Mission, Geneva

GRÈCE/GREECE

Nikos BEAZOGLOU, Expert, Directorate of Commercial and Industrial Property Trademark Office, Ministry of Development, Athens

ISRAËL/ISRAEL

Noa FURMAN (Ms.), Counsellor, Permanent Mission, Geneva

LESOTHO

Lebamang KOPELI, Minister Counsellor, Permanent Mission, Geneva

LITUANIE/LITHUANIA

Lina VILTRAKIENĖ (Mrs.), First Secretary, Permanent Mission, Geneva

MALAISIE/MALAYSIA

Azwa Affendi BAKHTIAR, First Secretary, Permanent Mission, Geneva

NORVÈGE/NORWAY

Gry Karen WAAGE (Mrs.), First Secretary, Permanent Mission, Geneva

OMAN

Fatima AL-GHAZALI (Mrs.), Counsellor, Commercial Affairs, Permanent Mission, Geneva

PORTUGAL

Elpídio SANTOS, Director of Organization and Management, National Institute of Industrial Property, Ministry of Economy and Innovation, Lisbon

José Guedes de SOUSA, First Secretary, Permanent Mission, Geneva

RÉPUBLIQUE DOMINICAINE/DOMINICAN REPUBLIC

Gladys Josefina AQUINO, Counsellor, Permanent Mission, Geneva

SINGAPOUR/SINGAPORE

Pai Ching KOONG, (Ms.), First Secretary, Permanent Mission, Geneva

TURQUIE/TURKEY

Ismail GÜMUS, Patent Examiner, Department of International Affairs, Turkish Patent Office, Ankara

Yesim BAYKAL, Legal Advisor, Permanent Mission to WTO, Geneva

URUGUAY

Lucia TRUCILLO (Mrs.), Minister, Permanent Mission, Geneva

VIET NAM

PHAN Hong Nga, Counsellor, Permanent Mission, Geneva

III. COMITÉ D'AUDIT DE L'OMPI/
WIPO AUDIT COMMITTEE

Khalil Issa OTHMAN	Chairman
Pieter ZEVENBERGEN	Vice-Chairman
Gian Piero ROZ	Member

IV. BUREAU/OFFICERS

Président/Chairman:	Guilherme DE AGUIAR PATRIOTA (Brésil/Brazil)
Vice-président/Vice-Chairman:	Gilles BARRIER (France)
Secrétaire/Secretary:	Carlotta GRAFFIGNA (OMPI/WIPO)

V. BUREAU INTERNATIONAL DE L'ORGANISATION MONDIALE DE LA
PROPRIÉTÉ INTELLECTUELLE (OMPI)/INTERNATIONAL BUREAU
OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

Francis GURRY, Vice-directeur général/Deputy Director General

Philippe PETIT, Vice-directeur général/Deputy Director General

Narendra SABHARWAL, Vice-directeur général/Deputy Director General

Ernesto RUBIO, Sous directeur général/Assistant Director General

Binying WANG, Sous directrice générale/Assistant Director General

Carlotta GRAFFIGNA (Mme/Mrs.), Directrice exécutive et contrôleur, Bureau du contrôleur/Executive Director and Controller, Office of the Controller

Yoshiyuki TAKAGI, Directeur exécutif, Bureau de la planification stratégique et du développement des politiques/Executive Director, Office of Strategic Planning and Policy Development

Philippe FAVATIER, Directeur, Division des finances/Director, Finance Division

Juan Antonio TOLEDO, Directeur, Département de la gestion des ressources humaines/Director, Human Resources Management Department

Edward KWAKWA, Conseiller juridique/Legal Counsel

Nicholas TREEN, Directeur, Division de l'audit et de la supervision internes/Director, Internal Audit and Oversight Division

Magdolna BONA (Mme/Mrs.), Chef, Section du budget, Bureau du contrôleur/Head, Budget Section, Office of the Controller

[L'annexe II suit/Annex II follows]

WIPO



WO/PBC/12/1

ORIGINAL: English

DATE: September 12, 2007

WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

PROGRAM AND BUDGET COMMITTEE

Twelfth Session
Geneva, September 11 to 13, 2007

AGENDA

adopted by the Program and Budget Committee

1. Opening of the session
Adoption of the agenda
See the present document.
2. Revised Budget for the 2006/07 Biennium
See document WO/PBC/12/2.
3. Proposed Program and Budget for the 2008/09 Biennium
See document WO/PBC/12/3.
4. Proposal by the United States of America to Reflect a 15% Reduction in the Patent Cooperation Treaty (PCT) International Filing and Handling Fees Effective January 1, 2008
See documents WO/PBC/12/5 and WO/PBC/12/8.
5. Proposed Utilization of Available Reserves in the Medium Term
See document WO/PBC/12/4.
Funding of Development Agenda Activities
See document WO/PBC/12/4(a).
Down Payment for the New Construction Project
See document WO/PBC/12/4(b).

Implementation of an Enterprise Resource Planning (ERP) System

See document WO/PBC/12/4(c).

Upgrading of the Security Standards of WIPO

See document WO/PBC/12/4(d).

6. Revision of the Financial Regulations and Rules of the Organization
See document WO/PBC/12/6.
7. Briefing by the Chair of the WIPO Audit Committee
8. Review of the terms of reference of the WIPO Audit Committee
See document WO/PBC/WG/2/07/4.
9. Review of the WIPO Internal Audit Charter
See document WO/PBC/2/07/4.
10. Progress Report on the New Construction Project
See document WO/PBC/12/7.
11. Desk-to-desk Assessment Report
12. Adoption of the report
13. Closing of the session

[End document]

[Annex III follows]

WO/PBC/12/9

ANNEX III

ALLOCATED PERSONNEL RESOURCES FOR THE 2006/07 BIENNIUM

As of August 31, 2007

	Posts				Short-term Employees													Consultants	SSAs	GRAND TOTAL
	Occupied	Vacant	New	TOTAL	SLC	G2	G3	G4	G5	G6	G7	T1	T2	T3	T4	R3	TOTAL			
01 Public Outreach and Communication	25			25			3	1	3	1	1						9	2	2	38
02 External Coordination	16			16	1				2								3	1	2	22
03 Strategic Use of IP for Development	28	3		31				3	3								6	3		40
04 Use of Copyright in the Digital Environment	2			2				1									1			3
05 IP and Public Policy	1			1													--			1
06 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs	44	3		47	2		2	6	2								12	8		67
07 Certain Countries in Europe and Asia	6			6				1									1			7
08 Business Modernization of IP Institutions	7			7				1									1			8
09 Collective Management	3			3													--			3
10 IPR Enforcement	4	1		5													--	1		6
11 WIPO Worldwide Academy	12	1		13	1			1	1								3	3	2	21
12 Law of Patents	5			5									1				1			6
13 Law of Trademarks, Industrial Designs and Geographical Indications	4			4	1												1			5
14 Law of Copyright and Related Rights	9			9				2									2			11
15 TK, Traditional Cultural Expressions and Genetic Resources	6	1		7	1			1	2								4			11
16 Administration of the PCT System	328	19		347			40	48	2				15	4			109	9	23	488
17 PCT Reform	4			4													--		1	5
18 Madrid, The Hague and Lisbon Registration Systems	107	6		113	3		2	11	1	1					1		19	1	23	156
19 Patent Information, Classification and IP Standards	15	1		16													--			16
20 International Classifications in the Field of Trademarks and Industrial Designs	2			2													--			2
21 Arbitration and Mediation Services and Domain Names Policies and Procedures	12	1		13	4			2		1							7	1		21
22 Direction and Executive Management	27	1		28				1	3								4			32
23 Budget Control and Resource Mobilization	8	2		10	1								1				1			11
24 Internal Oversight	4	1	2	7													--		1	8
25 Human Resources Management	36	2		38			1	2	5	1							9	1	1	49
26 Financial Operations	32	2		34				3	4								7			41
27 Information Technology	49	3		52	2			1	2	1							6	5		63
28 Conference, Language, Printing and Archives	79	2		81		1	14	4	1			7	5	2		1	35		1	117
29 Premises Management	28	1		29			6	2	3	1							12	1		42
30 Procurement and Travel	17	3		20	1				4								5	1	1	27
31 The New Construction				--													--	1	1	2
Unallocated		11	3	14													--			14
	920	64	5	989	17	1	68	91	38	6	1	8	20	6	1	1	258	38	58	1,343

HEADCOUNT

1,274

Headcount is the sum of occupied posts, short-term employees, consultants and SSAs.

All occupied posts are counted as 1 post=1 headcount. A number of staff work at less than 100% workrate, therefore the full-time equivalent calculation would result in a lower figure than the above headcount.

[Annex IV follows]

PCT Filings by Individual Applicants

Country of Origin	Total Filings	Filings by Individuals	%by Individuals
Total (all origins)	148,826	14,958	10.1%
AD Andorra	3	3	100.0%
AE United Arab Emirates	14	10	71.4%
AL Albania	1	1	100.0%
AM Armenia	7	6	85.7%
AN Netherlands Antilles	10	0	0.0%
AR Argentina	20	11	55.0%
AT Austria	921	193	21.0%
AU Australia	1,999	436	21.8%
AZ Azerbaijan	13	7	53.8%
BA Bosnia and Herzegovina	8	8	100.0%
BB Barbados	115	1	0.9%
BE Belgium	1,030	89	8.6%
BG Bulgaria	24	19	79.2%
BI Burundi	2	2	100.0%
BJ Benin	1	1	100.0%
BM Bermuda	7	0	0.0%
BN Brunei Darussalam	1	0	0.0%
BR Brazil	332	136	41.0%
BS Bahamas	19	1	5.3%
BY Belarus	18	16	88.9%
BZ Belize	1	0	0.0%
CA Canada	2,560	387	15.1%
CH Switzerland	3,543	216	6.1%
CL Chile	12	3	25.0%
CM Cameroon	1	1	100.0%
CN China	3,940	1,088	27.6%
CO Colombia	29	21	72.4%
CR Costa Rica	7	4	57.1%
CU Cuba	21	1	4.8%
CY Cyprus	48	6	12.5%
CZ Czech Republic	106	42	39.6%
DE Germany	16,719	1,104	6.6%
DK Denmark	1,155	80	6.9%
DZ Algeria	3	3	100.0%
EC Ecuador	7	7	100.0%
EE Estonia	17	2	11.8%
EG Egypt	43	38	88.4%
ES Spain	1,197	305	25.5%
FI Finland	1,841	83	4.5%
FR France	6,228	553	8.9%
GB United Kingdom	5,089	640	12.6%
GE Georgia	9	7	77.8%
GH Ghana	1	1	100.0%
GQ Equatorial Guinea	1	1	100.0%
GR Greece	84	47	56.0%

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Annex IV, page 2

<i>Country of Origin</i>	<i>Total Filings</i>	<i>Filings by Individuals</i>	<i>%by Individuals</i>
HK Hong Kong, China	1	0	0.0%
HR Croatia	73	46	63.0%
HU Hungary	146	68	46.6%
ID Indonesia	8	3	37.5%
IE Ireland	422	52	12.3%
IL Israel	1,585	289	18.2%
IN India	828	164	19.8%
IR Iran (Islamic Republic of)	3	2	66.7%
IS Iceland	50	4	8.0%
IT Italy	2,717	499	18.4%
JM Jamaica	1	1	100.0%
JO Jordan	6	0	0.0%
JP Japan	27,038	635	2.3%
KE Kenya	5	4	80.0%
KN Saint Kitts and Nevis	1	0	0.0%
KP Democratic People's Repu	4	3	75.0%
KR Republic of Korea	5,938	1,382	23.3%
KW Kuwait	1	1	100.0%
KY Cayman Islands	9	0	0.0%
KZ Kazakhstan	17	14	82.4%
LB Lebanon	4	2	50.0%
LI Liechtenstein	78	0	0.0%
LK Sri Lanka	3	3	100.0%
LT Lithuania	10	5	50.0%
LU Luxembourg	121	1	0.8%
LV Latvia	17	10	58.8%
MA Morocco	10	4	40.0%
MC Monaco	13	3	23.1%
MD Republic of Moldova	7	7	100.0%
ME Montenegro	1	1	100.0%
MH Marshall Islands	1	0	0.0%
MK The former Yugoslav Rept	2	2	100.0%
MN Mongolia	6	0	0.0%
MT Malta	11	0	0.0%
MU Mauritius	8	0	0.0%
MX Mexico	178	117	65.7%
MY Malaysia	60	26	43.3%
NA Namibia	1	0	0.0%
NG Nigeria	1	1	100.0%
NL Netherlands	4,524	138	3.1%
NO Norway	609	71	11.7%
NZ New Zealand	349	89	25.5%
PA Panama	17	2	11.8%
PE Peru	1	1	100.0%
PH Philippines	23	18	78.3%
PK Pakistan	3	0	0.0%
PL Poland	101	39	38.6%
PT Portugal	68	16	23.5%

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Annex IV, page 3

Country of Origin	Total Filings	Filings by Individuals	%by Individuals
RO Romania	26	21	80.8%
RS Serbia	8	7	87.5%
RU Russian Federation	696	495	71.1%
SA Saudi Arabia	53	5	9.4%
SC Seychelles	10	0	0.0%
SD Sudan	3	3	100.0%
SE Sweden	3,315	183	5.5%
SG Singapore	462	53	11.5%
SI Slovenia	79	18	22.8%
SK Slovakia	31	18	58.1%
SL Sierra Leone	2	0	0.0%
SM San Marino	4	0	0.0%
SN Senegal	3	3	100.0%
SY Syrian Arab Republic	7	7	100.0%
SZ Swaziland	1	0	0.0%
TH Thailand	13	8	61.5%
TN Tunisia	3	0	0.0%
TR Turkey	269	51	19.0%
TT Trinidad and Tobago	3	3	100.0%
TW Taiwan, Province of China	7	1	14.3%
UA Ukraine	77	68	88.3%
US United States of America	50,799	4,405	8.7%
UY Uruguay	3	1	33.3%
UZ Uzbekistan	1	1	100.0%
VE Venezuela	2	1	50.0%
VG Virgin Islands, British	14	0	0.0%
VN Viet Nam	10	8	80.0%
WS Samoa	1	0	0.0%
YU Serbia and Montenegro	24	22	91.7%
ZA South Africa	423	247	58.4%

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Annex IV, page 4

PCT Filings qualifying for 75% reduction (current fee schedule)

Country of Origin	Total Filings	Filings qualifying for 75%	%qualifying for 75%
Grand Total	148826	2730	1.8%
AL Albania	1	1	100.0%
AM Armenia	7	6	85.7%
AR Argentina	20	4	20.0%
AZ Azerbaijan	13	7	53.8%
BA Bosnia and Herzegovina	8	8	100.0%
BG Bulgaria	24	19	79.2%
BJ Benin	1	1	100.0%
BR Brazil	332	129	38.9%
BY Belarus	18	16	88.9%
CM Cameroon	1	1	100.0%
CN China	3940	1012	25.7%
CO Colombia	29	19	65.5%
CR Costa Rica	7	3	42.9%
CZ Czech Republic	106	38	35.8%
DZ Algeria	3	3	100.0%
EC Ecuador	7	5	71.4%
EE Estonia	17	2	11.8%
EG Egypt	43	36	83.7%
GE Georgia	9	7	77.8%
GQ Equatorial Guinea	1	1	100.0%
HR Croatia	73	42	57.5%
HU Hungary	146	66	45.2%
ID Indonesia	8	3	37.5%
IN India	828	161	19.4%
KE Kenya	5	1	20.0%
KP Democratic People's Republic of K	4	3	75.0%
KZ Kazakhstan	17	14	82.4%
LK Sri Lanka	3	3	100.0%
LT Lithuania	10	5	50.0%
LV Latvia	17	9	52.9%
MA Morocco	10	4	40.0%
MD Republic of Moldova	7	7	100.0%
MK The former Yugoslav Republic of M	2	2	100.0%
MX Mexico	178	110	61.8%
MY Malaysia	60	21	35.0%
NG Nigeria	1	1	100.0%
PA Panama	17	2	11.8%
PH Philippines	23	13	56.5%
PL Poland	101	37	36.6%
RO Romania	26	20	76.9%
RU Russian Federation	696	482	69.3%
SD Sudan	3	3	100.0%
SK Slovakia	31	18	58.1%
SN Senegal	3	2	66.7%
SY Syrian Arab Republic	7	6	85.7%
TR Turkey	269	50	18.6%
UA Ukraine	77	64	83.1%
UZ Uzbekistan	1	1	100.0%
VE Venezuela	2	1	50.0%
VN Viet Nam	10	8	80.0%
YU Serbia and Montenegro	24	21	87.5%
ZA South Africa	423	232	54.8%

Annex IV, page 5

Applicability of 75% Reduction in Certain PCT Fees¹			
1. Where the international application is filed by an applicant ² who is a <i>natural person</i> and who is a national of and resides in one of the following States: ³			
(a) States which are PCT Contracting States:			
Albania Algeria Armenia Azerbaijan Belarus Belize Benin Bosnia and Herzegovina Botswana Brazil Bulgaria Burkina Faso Cameroon Central African Republic Chad China Colombia Comoros Congo Costa Rica Côte d'Ivoire Croatia Cuba Czech Republic Democratic People's Republic of Korea	Dominica Dominican Republic ⁴ Ecuador Egypt El Salvador Equatorial Guinea Estonia Gabon Gambia Georgia Ghana Grenada Guatemala Guinea Guinea-Bissau Honduras Hungary India Indonesia Kazakhstan Kenya Kyrgyzstan Lao People's Democratic Republic Latvia Lesotho	Liberia Lithuania Madagascar Malawi Malaysia Mali Mauritania Mexico Moldova Mongolia Montenegro Morocco Mozambique Namibia Nicaragua Niger Nigeria Papua New Guinea Philippines Poland Romania Russian Federation Saint Kitts and Nevis Saint Lucia Saint Vincent and the Grenadines	Senegal Serbia Sierra Leone Slovakia South Africa Sri Lanka Sudan Swaziland Syrian Arab Republic Tajikistan The former Yugoslav Republic of Macedonia Togo Tunisia Turkey Turkmenistan Uganda Ukraine United Republic of Tanzania Uzbekistan Viet Nam Zambia Zimbabwe
(b) States which are not PCT Contracting States: ⁵			
Afghanistan Angola Argentina Bangladesh Bhutan Bolivia Burundi Cambodia Cape Verde Chile Democratic Republic of the Congo Djibouti	Eritrea Ethiopia Fiji Guyana Haiti Iran (Islamic Republic of) Iraq Jamaica Jordan Kiribati Lebanon Maldives Marshall Islands	Mauritius Micronesia Myanmar Nepal Pakistan Panama Paraguay Peru Rwanda Samoa Sao Tome and Principe Solomon Islands Somalia	Thailand Timor-Leste Tonga Tuvalu Uruguay Vanuatu Venezuela Yemen
2. Where the international application is filed by an applicant, <i>whether a natural person or not</i> , who is a national of and resides in one of the following States that is classed as a least developed country by the United Nations:			
(a) States which are PCT Contracting States:			
Benin Burkina Faso Central African Republic Chad Comoros Equatorial Guinea Gambia	Guinea Guinea-Bissau Lao People's Democratic Republic Lesotho Liberia Madagascar	Malawi Mali Mauritania Mozambique Niger Senegal Sierra Leone	Sudan Togo Uganda United Republic of Tanzania Zambia
(b) States which are not PCT Contracting States: ⁵			
Afghanistan Angola Bangladesh Bhutan Burundi Cambodia Cape Verde	Democratic Republic of the Congo Djibouti Eritrea Ethiopia Haiti Kiribati	Maldives Myanmar Nepal Rwanda Samoa Sao Tome and Principe Solomon Islands	Somalia Timor-Leste Tuvalu Vanuatu Yemen

- The international filing fee (including the fee per sheet over 30) and the handling fee.
- If there are several applicants, each must satisfy the criteria set out in 1 or 2 and at least one of them must be a national of and/or reside in a PCT Contracting State.
- That is, States whose per capita national income is below USD 3,000 (according to the average per capita national income figures used by the United Nations for determining its scale of assessments for the contributions payable for the years 1995, 1996 and 1997)
- Will become bound by the PCT on 28 May 2007.
- Applicants from these States must file the PCT application together with an applicant who is a national of and/or resides in a PCT Contracting State, and in order to benefit from the 75% reduction, the State concerned must be one of the States indicated under 1(a) (if the applicant concerned is a natural person) or 2(a) (whether the applicant is a natural person or not).

1 May 2007

[Annex V follows]

ANNEX V

BRIEFING BY THE CHAIR OF THE WIPO AUDIT COMMITTEE

Statement made to the Program and Budget Committee
by Mr. Khalil Issa Othman, Chair, WIPO Audit Committee

Mr. Chairman, Distinguished Delegates,

I am pleased to introduce, on behalf of the Audit Committee, the reports of both its fifth meeting held from July 9 to 12 (document WO/AC/5/2) and its sixth meeting, held from September 3 to 5 (document WO/AC/6/2).

At those two meetings, the Committee reviewed several items including the Desk-to-Desk Review, the New Construction Project, Procurement, the Financial Regulations and Rules, Internal Audit and Oversight, the Review of the WIPO Internal Audit Charter and the Review of the Terms of Reference of the Audit Committee.

For the last two items, the Program and Budget Committee has already taken a decision following discussions at the Working Group on Monday, and I do not have to brief you further. I will begin with the Financial Regulations and Rules.

The Committee continued to review and monitor changes introduced to the draft Financial Regulations and Rules. In its latest review and exchange of views with Secretariat officials, the Committee noted that:

- (a) The Secretariat planned to have the new Financial Regulations and Rules effective as of January 1, 2008;
- (b) The recommended provisions move a step further in the implementation of Results-Based Budgeting (RBB) (Regulations 2.5 and 2.14); and,
- (c) There was no regulation or procedure applicable to Member States withdrawing from the Organization (Regulation 3.8).

The Committee recommended a number of changes and/or additions, most of which were orally accepted by the Secretariat official. Among these comments were the following:

- (a) A detailed plan for the training of current and future management in the application of the new Financial Regulations and Rules be prepared, including training for staff whose work will require knowledge of the new Financial Regulations and Rules. During this training, attention should be given to the ethics-related and financial disclosure procedures currently being prepared by the Internal Audit and Oversight Division;
- (b) The proposed Program budget, in addition to the Objectives and Expected Results, also include indicators of achievement, which would be used to measure results achieved and facilitate analysis by Member States (Regulations 2.5 and 2.14);
- (c) Financial institutions be designated after competitive bidding (Regulation 4.9);

- (d) A copy of the financial statement sent to the External Auditor should also be sent to the Committee (Regulation 6.5); and,
- (e) The Secretariat ensures implementation and monitors compliance with the revised Financial Regulations and Rules, and reports regularly on the implementation of the Financial Regulations and Rules to Member States and to the Audit Committee, which will review those reports and submit its findings to the Program and Budget Committee.

I will now turn to the question of procurement and the Procurement Manual.

In its review of the Procurement Manual, and following discussions with Secretariat officials, the Committee noted that the Secretariat had based its draft Procurement Manual on Office Instruction No. 21/2006 Rev., and other UN models, and recommended that the Internal Audit and Oversight Division monitor the actual implementation of the provisions of the Manual in the procurement process.

The Committee noted the explanations provided by the Secretariat on the methods of solicitation/threshold for tender procedure and the exemption clauses (pages 10 to 12, paragraphs 62 to 63) in the Manual, and recommended that a log of all exemptions be maintained by the Procurement Division.

The Committee observed that the procedures for appointing financial institutions for transactions of the Secretariat have not normally been subject to bidding, and recommended that normal bidding procedures apply for the selection of financial institutions for the Organization.

The Committee was informed that a risk register relating to procurement has not yet been prepared, and that its preparation is awaiting the report of the Internal Auditor on the review of the procurement process undertaken in June-July 2007. The Committee recommended that a risk register be developed for the risks affecting procurement, as well as a framework for managing identified risks.

With regard to the New Construction Project, the Committee met with Secretariat officials and representatives of the Pilot, reviewed and discussed the progress of the Project, and recommended the following:

- (a) The security improvement costs related to the new building be submitted in a detailed budgetary format, together with the proposals related to sources of financing;
- (b) The Secretariat prepare an analyzed consolidated budget of the new building, to include the associated costs such as security, financing, any additional staffing and contingency provisions, together with all contracting and subcontracting costs;
- (c) The Secretariat take into account in negotiating the loan for the new building financing, the possibility of incurring finance charges between the date of entering into a contractually binding agreement with the bank or banks concerned, and actual facility draw down; and,

- (d) The Secretariat and Pilot establish the necessary procedures for a dynamic follow-up, updating and monitoring of the risk registers, together with a mechanism to alert all parties concerned of problems that may have occurred, or changes made in the schedule of the Project.

My final comments are on the Internal Audit and Oversight Division (IAOD).

The Committee continued to be concerned with the staffing situation in IAOD. A senior auditor was recruited, a senior evaluation officer was leaving, and the recruitment of an investigator was ongoing.

The Committee recommended that IAOD and the WIPO Secretariat embark on a more intensive recruitment process for vacant posts, and that Member States endorse the request of the Secretariat to recruit the additional posts stipulated in the draft Program and Budget for 2008/09.

The Committee noted that no 2007 plans setting out objectives, priorities and resources requirements for audit, inspection, investigation and evaluation were in place. Neither were there manuals for investigation and inspection.

The Committee recommended that the Director of IAOD start developing a strategic approach and rationale for his 2007 and 2008 plans, with a critical path analysis, setting out the objectives, priorities and resource requirements. It also recommended that the Director of IAOD start working on manuals for investigation and inspection, and be enabled to outsource skills urgently required using funding available in respect of vacant posts

The Committee noted that the follow-up system on oversight recommendations had no benchmarks for compliance, with dates. This was thoroughly examined and a number of recommendations were made as contained in the reports of the Committee's fifth and sixth meetings.

In view of the importance of this Division, and its role in internal control and the difficulties encountered therein, the Committee decided to take up the of the subject of the Internal Audit and Oversight Division in its entirety at its next meeting in December 2007.

I have left out the Desk-to-Desk Review item, because, with your agreement, I will introduce this item after Mr. Gurry's presentation.

I thank you, Mr. Chairman.

[Annex VI follows]

ANNEX VI

Statement made to the Program and Budget Committee
by Mr. Khalil Issa Othman, Chair, WIPO Audit Committee

Mr. Chairman, Distinguished Delegates,

I thank you Mr. Chairman, and also Mr. Gurry for his references to the Audit Committee.

I will not repeat the background already provided by Mr. Gurry, but I will emphasize that the Audit Committee has been seized with the Desk-to-Desk review since its inception in April 2006. The Committee advanced its views, and submitted its recommendations to Member States and the Secretariat through its periodic reports. It continued to oversee the progress of this project through its different stages of development, and relayed its views both to the Secretariat and PricewaterhouseCoopers (PwC).

In considering its response to the PwC's Final Report, the Committee reflected on its previous meetings and considered carefully the views expressed by the participants in those meetings and the written reports it had received.

The Committee noted that the Secretariat had pointed to certain inaccuracies and inconsistencies in PwC's Final Report. The Committee discussed this issue with both the WIPO Internal Project Steering Committee (IPSC) and PwC. On balance, the Committee concluded that, whereas there may have been inaccuracies, particularly in the potential headcount savings on the one hand, there may also have been a paucity of data upon which to base the Report within the allotted timescale, on the other. The Committee also concluded that looking into this issue in further detail would not change the major findings and conclusions of PwC's Final Report and would therefore be unproductive. Rather, it was the Committee's view that the broad thrust of PwC's Final Report, particularly in terms of its recommended actions, does provide a platform for introducing an integrated program for Organizational Improvement. This is in line with the welcome given to PwC's Final Report by the Secretariat (document WO/GA/34/12, paragraph 10) and the comments by the Staff Council.

In its comments on PwC's Final Report (document WO/GA/34/12, paragraph 11), the Secretariat noted the endorsement by PwC of the initiatives already commenced by WIPO. In connection with these initiatives, the Committee welcomed the fact that the Secretariat had undertaken to propose to Member States a mechanism and organizational arrangements to achieve an integrated program for Organizational Improvement (document WO/GA/34/12, paragraph 14).

These initiatives, which include: (i) comprehensive changes in human resources (HR) management and systems; (ii) new financial regulations and rules; (iii) an ERP system; (iv) outsourcing of certain activities; and, (v) a modern IT platform (document WO/GA/32/12, paragraph 11(a) to (e)) have both substantial challenges and risks, which will need careful management. A further level of complexity is imposed by the need to integrate each of these modules with each other. In the view of the Committee, WIPO as an organization will not be able to operate effectively in the future either as a series of silos or

without the proper balance of accountability and competency of management and staff, supported by an open, fair and communicative culture within a framework of sensible risk management and internal control. This means, in particular, that proper professional HR practices, including performance appraisal, job descriptions that spell out the responsibility and accountability of the incumbent, required skill sets, behaviors and experiences, and clearly formulated contracts of employment, need to extend to all layers of the Organization, including top management, as in other UN system organizations.

The Committee considers therefore that the very substantial integrated changes needed by WIPO to meet the challenges of the 21st century will not only require the full and open commitment and ownership of the Organization's top management, but will also need the necessary skills and experience in change management, integrated cross - functional project management, and IT, together with the appropriate support software and infrastructure. A carefully structured and managed integrated program for Organizational Improvement should be seen as an opportunity for all staff and as a means to bring forward new generations of management.

With these remarks, the Committee made three recommendations as follows:

- (a) The Secretariat should develop a comprehensive integrated program for Organizational Improvement along the lines and priorities recommended in PwC's Final Report, and as recognized by the Secretariat in its report (WO/GA/34/12). Because such a program will not only be complex but likely to extend over a period of years, it should be constructed on a SMART C basis (Specific, Measurable, Attainable, Realistic, Timely and Consistent);
- (b) The Secretariat should prepare a road map for the implementation of the program showing the organizational and resourcing requirements. This road map should be reviewed by the Committee at its meeting scheduled for the first week of December 2007; and,
- (c) The implementation of the program should be periodically reviewed by the Audit Committee.

Mr. Chairman, you will note that the Audit Committee intentionally avoided becoming bogged down in the details of the Review, especially those related to numbers and data. It concluded that there were enough elements in both PwC's Final Report and the Secretariat's response that could be built upon in a forward-looking manner. The Committee took advantage of the thrust of the findings and recommendations of the PwC Report for an integrated program for Organizational Improvement, on the one hand, and the recognition and welcome given by the Secretariat of WIPO, and by the Staff Council, for change and reform, on the other.

The Committee wants the desk-to-desk review and the environment generated throughout the whole process of interaction among the different stakeholders to be used as a springboard for change and reform. In short, the Committee wanted to emphasize a forward-looking and results-based orientation. Hence, it looks forward to receiving from the Secretariat the promised proposals for a mechanism and organizational arrangements to achieve an integrated program of Organizational Improvement.

The Committee trusts that the Secretariat's proposals will include a road map for implementation of the said program, showing organizational and resourcing requirements within a timeframe. The Committee will review this paper at its forthcoming meeting in the first week of December 2007, and report to the Program and Budget Committee accordingly.

[Annex VII follows]

ANNEX VII

FURTHER AMENDMENTS TO THE FINANCIAL REGULATIONS AND RULES
PROPOSED BY THE DELEGATION OF FRANCE AS AGREED TO BY THE PROGRAM
AND BUDGET COMMITTEE

Regulation 1.1 add “They are approved by the General Assembly.”

Rule 101.1 delete “approved by the General Assembly”
add second sentence “The Program and Budget Committee is informed of any
modification of the Financial Rules.”

Rule 101.3, point (d) add “personnel resources” before the words “and finance.”

Regulation 2.5 reads (amendments in italics): The proposed program and budget shall be divided into programs. Proposed programs shall include a narrative setting out objectives and expected results during the biennium, together with financial and human resources required to achieve the objectives, (*added: “benchmarks and indicators of execution”*). The proposed program and budget shall be preceded by a statement explaining (*deleted: “the main changes made in”*) the content of the program and the volume of resources allocated to it in relation to the previous financial period. The proposed program and budget shall be accompanied by such information, annexes and explanatory statements as may be requested by the General Assembly and the Assemblies of the Unions and such further annexes or statements as the Director General may deem necessary and useful.

Rule 102.2

- point (a) after the words “proposed program” add “and by nature of expenditure”;
- after the words “financial period” add “the adopted initial budget”.
- point (d) should read: “a detailed organigram of the International Bureau including names of Directors and Program Managers.

Regulation 2.14 after the word “results” add “benchmark indicators of execution”

Regulation 4.3 after the words “as may be determined” delete “from time to time”

Regulation 5.10 delete “the notes to”

Regulation 6.6 after the words “balance sheet,” add “a report on the investment policy results”

[End of Annex VII and end of document]