

Program and Budget Committee

Twenty-Sixth Session
Geneva, July 10 to 14, 2017

FINANCIAL SITUATION AS OF END 2016: PRELIMINARY RESULTS

Document prepared by the Secretariat

1. The current document provides the preliminary end of 2016 figures, which are subject to audit and will be reported on formally at the September 2017 session of the Program and Budget Committee (PBC) as audited financial statements for 2016.
2. The document is intended to provide Member States with background information in relation to the Draft Proposed Program and Budget for the 2018/19 Biennium.
3. It is recalled that, since 2010, WIPO's financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) whilst the Organization's budget has continued to be prepared on a modified accrual basis ("budgetary basis"), in accordance with the Organization's Financial Regulations and Rules. Tables presented below show both income and expenditure¹ on a modified accrual basis, together with their corresponding IPSAS adjustments, where indicated.
4. Table 1 provides an overview of WIPO's preliminary results and financial parameters for the year ended December 31, 2016. The table also presents figures on the levels of registration activities undertaken under the PCT, Madrid and Hague Systems. Charts 1 and 2 provide a breakdown of WIPO income and expenditure respectively, on an IPSAS basis.

¹ Figures exclude Funds-in-Trust.

5. Table 1 provides preliminary results and financial parameters as of end 2016.

Table 1. Preliminary Results and Financial Parameters as of end 2016 (Unaudited)

(in millions of Swiss francs)

As of end December 2016

	2016/17 Approved Budget	2016/17 Budget after Transfers ¹	2016 Actual (Unaudited)	2016 Actual vs. Approved Budget
INCOME				
Contributions (unitary)	34.7		17.3	50%
Voluntary contributions (Lisbon Union)	-		0.4	n/a
<i>Total contributions</i>	34.7		17.7	51%
Fee Income				
PCT System	575.9		296.4	51%
Madrid System	128.8		60.1	47%
Hague System	10.3		5.1	49%
Lisbon System ²	0.0		0.0	83%
<i>Total Fee Income</i>	715.0		361.6	51%
Other income	6.6		5.4	81%
Total, Income (budgetary basis)	756.3		384.7	51%
IPSAS adjustments to Income	(8.1)		(5.8)	72%
Total Income after IPSAS adjustments	748.2	n/a	378.9	51%
EXPENDITURE				
Personnel Expenditure	456.6	443.9	211.0	46%
Non-Personnel Expenditure	250.5	263.2	111.2	44%
Total, Expenditure (budgetary basis)	707.0	707.0	322.2	46%
IPSAS adjustments to Expenditure	20.4		21.1	103%
Total Expenditure after IPSAS adjustments	727.4		343.3	47%
Operating Result	20.8	n/a	35.6	n/a
Miscellaneous revenue for projects financed from reserves ³			0.0	
Reserve expenditure				
Reserve expenditure			4.7	
IPSAS adjustments to Reserve expd.			(1.1)	
Reserve expenditure after IPSAS adjustments	n/a	n/a	3.6	n/a
Overall Result	n/a	n/a	32.0	n/a
REGISTRATION ACTIVITIES				
Number of PCT applications	451,600		233,000	52%
Number of Madrid Registrations	96,039	n/a	44,726	47%
Number of Madrid Renewals	60,600		29,058	48%
<i>Sub-total, Madrid Registrations & Renewals</i>	<i>156,639</i>		<i>73,784</i>	<i>47%</i>
Number of Hague Registrations	10,210		5,233	51%
Number of Hague Renewals	5,770		3,150	55%
<i>Sub-total, Hague Registrations & Renewals</i>	<i>15,980</i>		<i>8,383</i>	<i>52%</i>

¹ 2016/17 Budget after Transfers reflects the adjusted budget of Programs as at March 8, 2017, following transfers during the biennium in line with Financial Regulation 5.5.

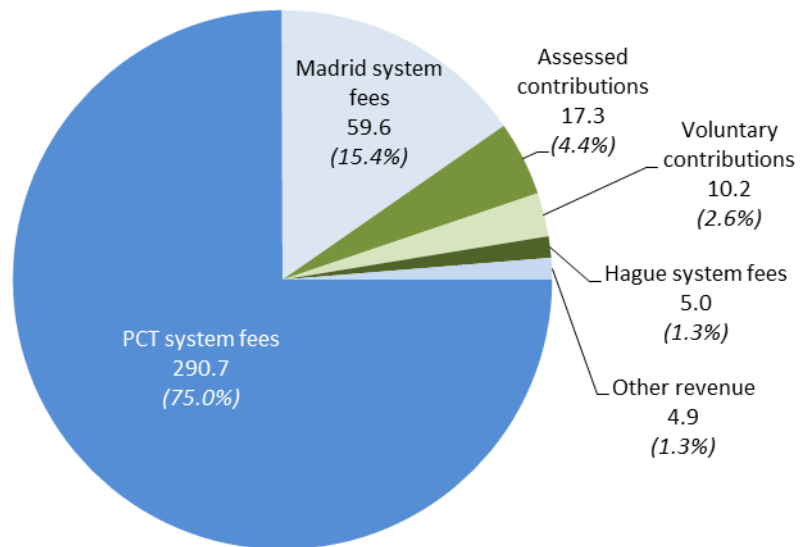
² Lisbon fee income: 2016/17 Budget (Sfr30 thousand), 2016 actual (Sfr25 thousand)

³ Miscellaneous revenue for projects financed from reserves: 2016 actual (Sfr4 thousand)

Note: Figures may not add up due to rounding.

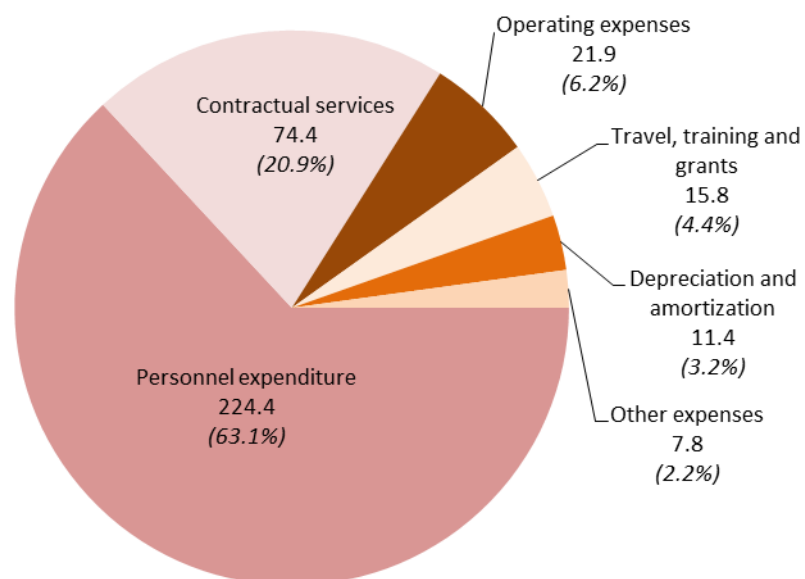
6. Chart 1 provides information on the breakdown of WIPO's income on an IPSAS basis in 2016.

Chart 1: 2016 Income by Type
(in millions of Swiss francs)

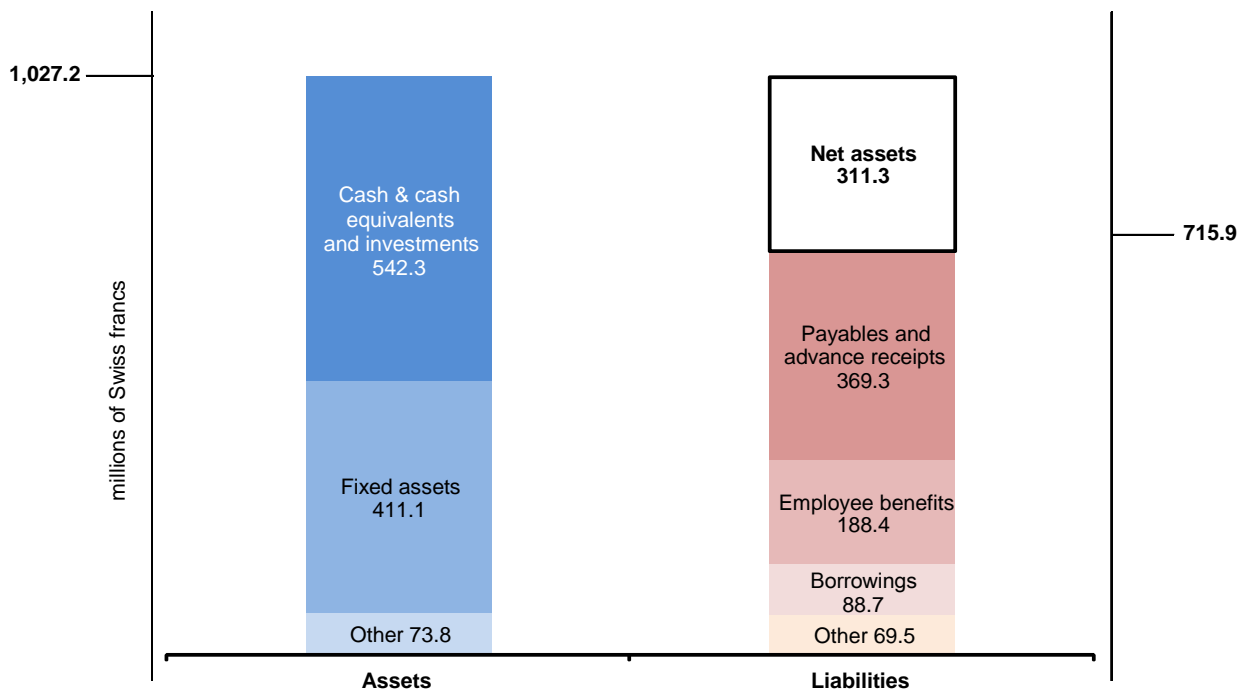


7. Chart 2 provides information on the breakdown of expenditure on an IPSAS basis by type in 2016.

Chart 2: 2016 Expenditure by Type
(in millions of Swiss francs)



8. Chart 3 provides information on the total assets, total liabilities and net assets (Reserves) of the Organization at the end of 2016.



9. Table 2 presents budget utilization figures by Program for 2016.

Table 2. 2016 Expenditure by Programs

(in thousands of Swiss francs)

As of end December 2016

	2016/17 Approved Budget	2016/17 Budget after Transfers	2016 Expenditure	% of 2016 expd against 2016/17 Budget after Transfers
1 Patent Law	5,291	5,219	2,581	49%
2 Trademarks, Industrial Designs and Geographical Indications	4,854	5,047	2,293	45%
3 Copyright and Related Rights	16,733	17,421	7,348	42%
4 Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources	6,115	6,686	3,045	46%
5 The PCT System	208,209	203,404	93,861	46%
6 Madrid System	58,106	58,062	26,739	46%
7 WIPO Arbitration and Mediation Center	11,358	11,338	5,077	45%
8 Development Agenda Coordination	3,671	3,587	1,645	46%
9 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	31,907	30,962	14,160	46%
10 Transition and Developed Countries	7,919	8,313	3,690	44%
11 The WIPO Academy	13,083	13,333	5,765	43%
12 International Classifications and Standards	7,070	7,250	3,118	43%
13 Global Databases	5,758	7,774	3,156	41%
14 Services for Access to Information and Knowledge	6,990	7,235	3,169	44%
15 Business Solutions for IP Offices	13,806	14,371	6,758	47%
16 Economics and Statistics	6,072	6,322	2,741	43%
17 Building Respect for IP	3,752	3,874	1,905	49%
18 IP and Global Challenges	6,323	6,023	2,871	48%
19 Communications	16,483	16,989	7,687	45%
20 External Relations, Partnerships and External Offices	12,395	12,178	5,177	43%
21 Executive Management	20,675	19,439	9,429	49%
22 Program and Resource Management	33,276	33,040	14,511	44%
23 Human Resources Management and Development	24,617	25,659	17,873	70%
24 General Support Services	47,216	52,572	20,584	39%
25 Information and Communication Technology	52,032	48,812	21,869	45%
26 Internal Oversight	5,358	5,450	2,049	38%
27 Conference and Language Services	38,925	38,661	17,609	46%
28 Information Assurance, Safety and Security	17,733	19,377	7,967	41%
30 SMEs and Entrepreneurship Support	6,083	6,262	2,857	46%
31 The Hague System	7,572	9,371	4,006	43%
32 Lisbon System	1,335	1,584	636	40%
Unallocated	6,319	1,420	-	0%
TOTAL	707,036	707,036	322,177	46%

10. Table 3 provides the 2016 preliminary results by Unions (Contribution-financed Union, PCT Union, Hague Union and Lisbon Union).

Table 3. 2016 Results by Unions (Unaudited)

(in thousands of Swiss francs)

As of end December 2016

	Contribution-financed Unions	PCT Union	Madrid Union	Hague Union	Lisbon Union	Total
Income (Budgetary)	18,124	298,413	61,329	5,745	1,073	384,684
IPSAS adjustments to Income	(10)	(5,552)	(143)	(111)	-	(5,816)
INCOME after IPSAS adjustments	18,114	292,861	61,186	5,634	1,073	378,868
EXPENDITURE (Budgetary)	16,333	238,773	56,216	9,695	1,159	322,176
IPSAS adjustments to Expenditure	1,049	15,340	4,011	623	74	21,097
EXPENDITURE after IPSAS adjustments	17,382	254,113	60,227	10,318	1,233	343,273
Operating Result	732	38,748	959	(4,684)	(160)	35,595
Miscellaneous revenue for projects financed from reserves	1	1	1	1	-	4
Reserve Expenditure						
Reserve Expenditure	276	2,952	1,251	195	3	4,677
IPSAS adjustments to Reserve Expenditure	(84)	(716)	(274)	(4)	-	(1,078)
Reserve Expenditure after IPSAS adjustments	192	2,236	977	191	3	3,599
Overall Result	541	36,513	(17)	(4,874)	(163)	32,000

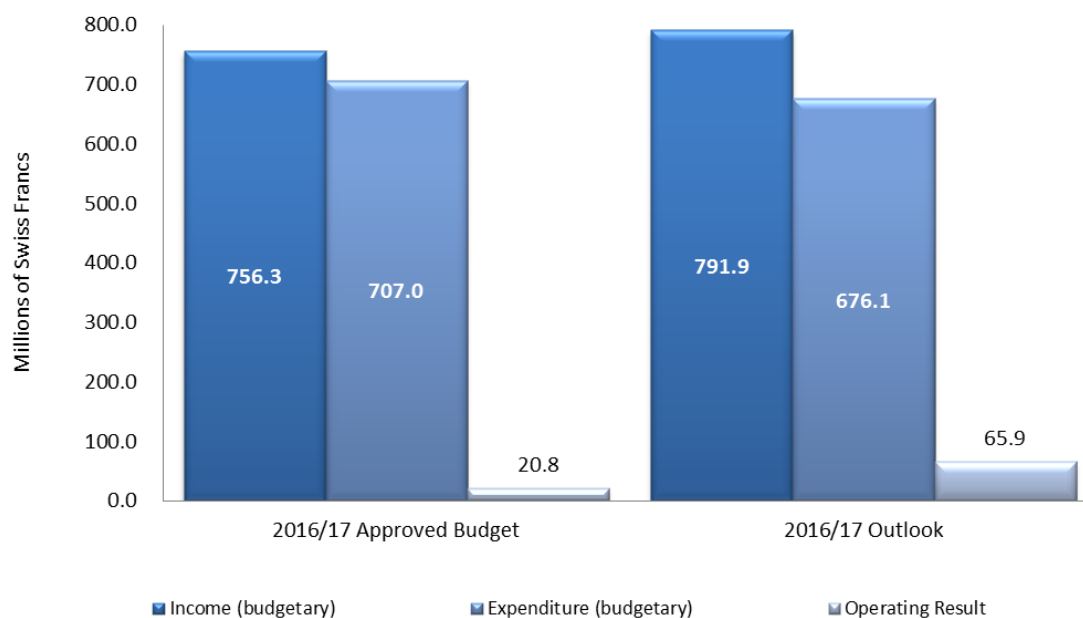
Note: The methodology of the allocation of income and expenditure by Unions is described in Annex III of the Program and Budget document for 2016/17

11. Table 4 provides an outlook for the 2016/17 biennium taking into account the financial results for the year ended December 31, 2016.

Table 4. Current Financial Outlook for 2016/17					
<i>(in millions of Swiss francs)</i>					
As of end December 2016					
	2016/17 Approved Budget	2016/17 Outlook			Outlook as % of Budget
		2016 Actual	2017 Forecast ¹	Total	
1. Income (budgetary)	756.3	384.7	407.2	791.9	105%
2. Expenditure (budgetary)	707.0	322.2	353.9	676.1	96%
3. Result (budgetary)	49.3	62.5	53.3	115.8	235%
4. IPSAS adjust. to Reg Bud	(28.5)	(26.9)	(23.0)	(49.9)	
5. Operating Result	20.8	35.6	30.3	65.9	
6. Miscellaneous revenue for projects financed from reserves ²		0.0	-	0.0	
7. Reserve expenditure		4.7	7.8	12.5	
8. IPSAS adjustments to Reserve expd.		(1.1)	(1.8)	(2.9)	
9. OVERALL RESULT		32.0	24.3	56.3	

¹ Income forecasts for 2017 include relevant IPSAS adjustments

² Miscellaneous revenue for projects financed from reserves: 2016 actual (Sfr4 thousand)



[End of document]