

B. PROPOSED PROGRAM AND BUDGET 2002-2003

Summary

30. The proposed budget for 2002-2003 amounts to Sfr512,600,000, which reflects an increase of Sfr62,242,000 or 13.8 per cent as compared with the revised budget for 2000-2001 of Sfr450,358,000. The sharing of the overall budget by Union is shown in Table 4.

Table 4. Budget 2002-2003: Budget Variation by Unions
(thousands of Swiss francs)

Union	2000-2001 Revised Budget A	Variation						2002-2003 Proposed Budget E=A+D
		Program		Cost		Total		
		Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
Contribution-financed Unions	38,612	(1,857)	(4.8)	1,857	4.8	--	--	38,612
PCT Union	335,757	21,926	6.5	20,979	6.2	42,905	12.8	378,662
Madrid Union	60,366	3,521	5.8	3,713	6.2	7,234	12.0	67,600
Hague Union	10,449	170	1.6	631	6.0	801	7.7	11,250
Arbitration/Others	5,174	8,584	165.9	2,718	52.5	11,302	218.4	16,476
TOTAL	450,358	32,344	7.2	29,898	6.6	62,242	13.8	512,600

31. As indicated in Table 4, the budget for Contribution-financed Unions remains at Sfr38,612,000. This represents a zero nominal growth for activities funded from Member States contributions.

32. Increases in volume of work and resource availability account for the increases in the budget for the PCT Union of Sfr42,905,000 or 12.8 per cent, for the Madrid Union of Sfr7,234,000 or 12 per cent and The Hague Union of Sfr801,000 or 7.7 per cent. This is particularly pronounced for the activities associated with the on-line dispute resolution service which was introduced in the 2000-2001 biennium and which is experiencing considerable increase in demand. Table 4 gives a summary of the detailed calculation presented in Table 8 of the Annex to this summary and is further elaborated in Appendix 1. The sharing of budgets between Unions follows the apportionment of costs as well as the distribution of available funding. As such, it is an integral part of the decisions, that also affect the income and fund balance of each Union.

33. Table 4 also indicates budget variations by distinguishing between program variation, i.e. changes in activities, and cost variations, i.e. changes in the cost structure. For the total budget, program variations amount to Sfr32,344,000 or 7.2 per cent and cost variations to Sfr29,898,000 or 6.6 per cent. Details concerning the calculation of budget variations are presented in Appendix 1. With regard to the Contribution-financed Unions, the zero nominal growth budget policy requires the increase in cost variation to be offset by a corresponding decrease in program variation. The large cost variation for on-line dispute resolution mainly covers the

additional costs in 2002-2003 of posts established only during the second year of the 2000-2001 biennium under the related flexibility arrangement.

34. Budget variations in accordance with the program structure for the 2002-2003 biennium are presented in Table 5.

Table 5. Budget 2002-2003: Budget Variation by Program
(thousands of Swiss francs)

	2000-2001		Variation						2002-2003
	Revised Budget A	B	Program		Cost		Total		Proposed Budget E=A+D
			% B/A	Amount C	% C/A	Amount D=B+C	% D/A		
Part I: Policy, Direction and Management									
01 Constituent Organs of the Member States	4,500	(157)	(3.5)	157	3.5	-	-	-	4,500
02 Direction and Executive Management	10,507	(215)	(2.0)	741	7.1	526	5.0	526	11,033
03 Legal Counsel	3,185	272	8.5	235	7.4	507	15.9	507	3,692
04 Planning, Budgeting and Control	6,659	(481)	(7.2)	439	6.6	(42)	(0.6)	(42)	6,617
Total, I	24,851	(581)	(2.3)	1,572	6.3	991	4.0	991	25,842
Part II: Intellectual Property Systems and Global Issues									
05 Development of Industrial Property Law	8,237	621	7.5	491	6.0	1,112	13.5	1,112	9,349
06 Patent Cooperation Treaty System	114,754	9,390	8.2	8,745	7.6	18,135	15.8	18,135	132,889
07 Madrid, Hague and Lisbon Systems	33,077	(1,379)	(4.2)	1,547	4.7	168	0.5	168	33,245
08 Development of Copyright and Related Rights	8,283	(1,420)	(17.1)	218	2.6	(1,202)	(14.5)	(1,202)	7,081
09 Global Communications	13,153	1,358	10.3	811	6.2	2,169	16.5	2,169	15,322
10 Global Intellectual Property Issues	9,428	1,642	17.4	482	5.1	2,124	22.5	2,124	11,552
11 Arbitration and Mediation Center	4,739	2,168	45.7	2,304	48.6	4,472	94.4	4,472	9,211
Total, II	191,671	12,380	6.5	14,598	7.6	26,978	14.1	26,978	218,649
Part III: Cooperation for Development									
12 Cooperation with Developing Countries	52,255	3,758	7.2	3,220	6.2	6,978	13.4	6,978	59,233
13 Cooperation with Certain Countries in Europe and Asia	4,406	503	11.4	254	5.8	757	17.2	757	5,163
14 The WIPO Worldwide Academy	14,051	1,495	10.6	702	5.0	2,197	15.6	2,197	16,248
Total, III	70,712	5,756	8.1	4,176	5.9	9,932	14.0	9,932	80,644
Part IV: Administration									
15 Information Technology	37,998	8,782	23.1	2,329	6.1	11,111	29.2	11,111	49,109
16 Human Resources Management	15,444	1,920	12.4	983	6.4	2,903	18.8	2,903	18,347
17 Administrative Services	59,175	369	0.6	3,709	6.3	4,078	6.9	4,078	63,253
18 Premises	46,408	3,211	6.9	2,064	4.4	5,275	11.4	5,275	51,683
Total, IV	159,025	14,282	9.0	9,085	5.7	23,367	14.7	23,367	182,392
Miscellaneous and Unforeseen	4,099	507	12.4	467	11.4	974	23.8	974	5,073
TOTAL	450,358	32,344	7.2	29,898	6.6	62,242	13.8	62,242	512,600

35. Table 5 shows the revised budget for 2000-2001 in accordance with the new program structure for 2002-2003. The calculation of the revised budget is set out in Section C. The new structure comprises 18 programs grouped into four main program parts. Part I (Policy, Direction and Management) shows a program variation decrease of Sfr581,000 or 2.3 per cent.

36. Part II (Intellectual Property Systems and Global Issues) shows an increase in program variation of Sfr12,380,000 or 6.5 per cent. In particular, Program 11 (Arbitration and Mediation Center) has substantial program as well as cost increases due to the rapid growth in the demand for dispute resolution services as outlined in Section D. The associated costs of this budget increase are fully covered by corresponding increases in income under on-line dispute resolution and the budget growth follows the flexibility formula proposed in Appendix 3. Increases in program variations for Main Program 06 (Patent Cooperation Treaty System) of Sfr9,390,000 or 8.2 per cent are comparable with the increase in the number of international applications as outlined in Section D. Despite an increase in registrations and renewals under the Madrid and Hague systems, the budget of Program 07 (Madrid, Hague and Lisbon Systems) could be reduced due to the introduction of additional efficiencies. The reduction in Program 08 (Development of Copyright and Related Rights) reflects the end of the diplomatic conference in 2001. Should it be decided to reconvene the diplomatic conference during the 2002-2003 biennium, additional revenues would be allocated for this purpose. Finally, the increase in Main Program 10 (Global Intellectual Property Issues), with Sfr1,642,000 or 17.4 per cent program variations, reflects the focus on new program initiatives such as the sub-program on small and medium-sized enterprises.

37. Part III (Cooperation for Development) shows program variation increases of Sfr5,756,000 or 8.1 per cent. Special emphasis has been given to Main Program 13 (Cooperation with Certain Countries in Europe and Asia) and Main Program 14 (WIPO Worldwide Academy).

38. Part IV (Administration) reflects program variation increases of Sfr14,282,000 or 9.0 per cent. This is largely due to the introduction of the new information technology policy as outlined in Appendix 1, according to which non-staff resources of Sfr15,238,000 have been transferred from project activities to the regular budget, being partly offset by transfer of staff resources of Sfr5,497,000 from the regular budget to project activities in Main Program 15.

39. Budget variations by object of expenditure for the 2002-2003 biennium are presented in Table 6.

Table 6. Budget 2002-2003: Budget Variation by Object of Expenditure
(thousands of Swiss francs)

Object of Expenditure	1998-1999 Expenditures	2000-2001 Revised Budget A	Variation						2002-2003 Proposed Budget E=A+D
			Program		Cost		Total		
			Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A	
Staff Expenses									
Posts	200,240	253,875	14,075	5.5	21,871	8.6	35,946	14.2	289,821
Short-term Expenses	17,412	19,877	414	2.1	729	3.7	1,143	5.8	21,020
Total	217,652	273,752	14,489	5.3	22,600	8.3	37,089	13.5	310,841
Travel and Fellowships									
Staff Missions	11,640	11,034	1,330	12.1	442	4.0	1,772	16.1	12,806
Government Officials	20,308	18,915	954	5.0	716	3.8	1,670	8.8	20,585
Fellowships	5,326	7,328	(1,819)	(24.8)	197	2.7	(1,622)	(22.1)	5,706
Total	37,274	37,277	465	1.2	1,355	3.6	1,820	4.9	39,097
Contractual Services									
Conferences	5,165	5,629	450	8.0	222	3.9	672	11.9	6,301
Consultants	13,918	16,542	(48)	(0.3)	594	3.6	546	3.3	17,088
Publishing	7,280	8,240	(1,353)	(16.4)	247	3.0	(1,106)	(13.4)	7,134
Other	24,773	22,192	6,303	28.4	1,024	4.6	7,327	33.0	29,519
Total	51,136	52,603	5,352	10.2	2,087	4.0	7,439	14.1	60,042
Operating Expenses									
Premises and Maintenance	38,467	51,285	2,563	5.0	1,939	3.8	4,502	8.8	55,787
Communications and Other	15,648	16,539	1,904	11.5	664	4.0	2,568	15.5	19,107
Total	54,115	67,824	4,467	6.6	2,603	3.8	7,070	10.4	74,894
Equipment and Supplies									
Furniture and Equipment	7,500	8,701	3,773	43.4	447	5.1	4,220	48.5	12,921
Supplies and Materials	11,897	6,102	3,291	53.9	339	5.6	3,630	59.5	9,732
Total	19,397	14,803	7,064	47.7	786	5.3	7,850	53.0	22,653
Unallocated	-	4,099	507	12.4	467	11.4	974	23.8	5,073
TOTAL	379,574	450,358	32,344	7.2	29,898	6.6	62,242	13.8	512,600

40. Table 6 indicates above-average program variation increases of Sfr6,303,000 or 28.4 per cent for other contractual services and Sfr7,064,000 or 47.7 per cent for Equipment and Supplies. This reflects, essentially, the transfer of non-staff resources from project activities to the regular budget in accordance with the new budget policy for information technology activities indicated above and described in Appendix 1 and the growth in the registration systems. Substantial increases are also presented for Staff Missions (Sfr1,330,000 or 12.1 per cent) and Communications and Other (Sfr1,904,000 or 11.5 per cent). Decreases as shown in the amount of Sfr1,819,000 or 24.8 per cent for fellowships and Sfr1,353,000 or 16.4 per cent for the cost of publishing.

41. Budget variations by post category and program for the 2002-2003 biennium are presented in Table 7.

Table 7. Budget 2002-2003: Budget Variation by Post Category and Program

	2000-2001 Revised Budget				Variation				2002-2003 Proposed Budget			
	D	P	G	Total	D	P	G	Total	D	P	G	Total
Part I: Policy, Direction and Management												
02 Direction and Executive Management	4	7	8	19	(1)	3	(1)	1	3	10	7	20
03 Legal Counsel	2	3	2	7	(1)	2	-	1	1	5	2	8
04 Planning, Budgeting and Control	4	8	4	16	1	(2)	1	-	5	6	5	16
Total, I	10	18	14	42	(1)	3	-	2	9	21	14	44
Part II: Intellectual Property Systems and Global Issues												
05 Development of Industrial Property Law	4	4	6	14	-	2	-	2	4	6	6	16
06 Patent Cooperation Treaty System	6	45	272	323	(2)	26	25	49	4	71	297	372
07 Madrid, Hague and Lisbon Systems	2	17	69	88	(1)	2	-	1	1	19	69	89
08 Development of Copyright and Related Rights	3	3	5	11	(2)	2	(3)	(3)	1	5	2	8
09 Global Communications	1	8	18	27	-	4	(3)	1	1	12	15	28
10 Global Intellectual Property Issues	1	10	2	13	2	1	2	5	3	11	4	18
11 Arbitration and Mediation Center	-	2	19	21	-	-	9	9	-	2	28	30
Total, II	17	89	391	497	(3)	37	30	64	14	126	421	561
Part III: Cooperation for Development												
12 Cooperation with Developing Countries	11	34	35	80	2	6	(1)	7	13	40	34	87
13 Cooperation with Certain Countries in Europe and Asia	-	3	2	5	-	1	-	1	-	4	2	6
14 The WIPO Worldwide Academy	-	7	7	14	1	2	2	5	1	9	9	19
Total, III	11	44	44	99	3	9	1	13	14	53	45	112
Part IV: Administration												
15 Information Technology	2	47	33	82	-	(13)	(8)	(21)	2	34	25	61
16 Human Resources Management	1	13	24	38	1	3	3	7	2	16	27	45
17 Administrative Services	4	41	104	149	-	1	(1)	-	4	42	103	149
18 Premises	1	1	20	22	-	4	-	4	1	5	20	26
Total, IV	8	102	181	291	1	(5)	(6)	(10)	9	97	175	281
TOTAL	46	253	630	929	-	44	25	69	46	297	655	998

42. Table 7 indicates an increase of 69 posts for the 2002-2003 biennium, comprising 44 posts in the Professional category and 25 posts in the General Service category. This brings the total number of posts to 998. With regard to main programs, major increases are indicated for Main Program 06 (Patent Cooperation Treaty System) with 49 posts, Main Program 11 (Arbitration and Mediation Center) with nine posts, Main Program 12 (Cooperation with Developing Countries) with seven posts and Main Program 16 (Human Resources Management) with seven posts. The decrease of 21 posts indicated under Main Program 15 (Information Technology) reflects mainly the redeployment of those positions to project activities in accordance with the new budget policy for information technology activities indicated above and described in Appendix 1.

43. Three additional tables are provided in the Annex to the Summary of Section B. Table 8 shows the detailed budget allocation by Union and program, already introduced in conjunction with Table 4. Table 9 gives details on budget allocation by staff, non-staff and program. Finally, details are provided on the estimated use of surplus and trust fund resources by program in Table 10. This is done for the first time and provides a better understanding of the activities carried out under the main programs. As shown, it is anticipated that Main Program 12 (Cooperation with Developing Countries) will implement an amount of Sfr20,200,000 of trust fund resources in addition to the allocation of Sfr59,233,000 under the regular budget. It is further anticipated that Main Program 15 (Information Technology) will implement Sfr99,547,000 of project activities funded from surplus resources during 2002-2003 in addition to the regular budget allocation of Sfr49,109,000.

Table 8. Detailed Budget 2002-2003: Budget Allocation by Union and Program
(thousands of Swiss francs)

	Total		Contr.-financed Unions		PCT Union		Madrid Union		Hague Union		Arbitration/Others	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	A+...+E		A	a	B	b	C	c	D	d	E	e
Part I: Policy, Direction and Management												
01 Constituent Organs of the Member States	4,500	0.9	348	0.9	3,295	0.9	608	0.9	101	0.9	148	0.9
02 Direction and Executive Management	11,033	2.2	830	2.2	8,154	2.2	1,453	2.2	242	2.2	354	2.2
03 Legal Counsel	3,692	0.7	270	0.7	2,755	0.7	473	0.7	79	0.7	115	0.7
04 Planning, Budgeting and Control	6,617	1.3	483	1.3	4,895	1.3	879	1.3	146	1.3	214	1.3
Total, I	25,842	5.0	1,931	5.0	19,099	5.0	3,413	5.0	568	5.0	831	5.0
Part II: Intellectual Property Systems and Global Issues												
05 Development of Industrial Property Law	9,349	1.8	4,672	12.1	4,125	1.1	473	0.7	79	0.7	-	-
06 Patent Cooperation Treaty System	132,889	25.9	-	-	132,889	35.1	-	-	-	-	-	-
07 Madrid, Hague and Lisbon Systems	33,245	6.5	-	-	-	-	28,351	41.9	4,894	43.5	-	-
08 Development of Copyright and Related Rights	7,081	1.4	7,081	18.3	-	-	-	-	-	-	-	-
09 Global Communications	15,322	3.0	927	2.4	12,588	3.3	1,555	2.3	236	2.1	16	0.1
10 Global Intellectual Property Issues	11,552	2.3	4,981	12.9	5,873	1.6	608	0.9	90	0.8	-	-
11 Arbitration and Mediation Center	9,211	1.8	-	-	-	-	-	-	-	-	9,211	55.9
Total, II	218,649	42.7	17,661	45.7	155,475	41.1	30,987	45.8	5,299	47.1	9,227	56.0
Part III: Cooperation for Development												
12 Cooperation with Developing Countries	59,233	11.6	3,630	9.4	48,316	12.8	6,287	9.3	934	8.3	66	0.4
13 Cooperation with Certain Countries in Europe and Asia	5,163	1.0	309	0.8	4,234	1.1	541	0.8	79	0.7	-	-
14 The WIPO Worldwide Academy	16,248	3.2	1,004	2.6	13,279	3.5	1,690	2.5	259	2.3	16	0.1
Total, III	80,644	15.7	4,943	12.8	65,829	17.4	8,518	12.6	1,272	11.3	82	0.5
Part IV: Administration												
15 Information Technology	49,109	9.6	3,668	9.5	36,105	9.5	6,422	9.5	1,069	9.5	1,845	11.2
16 Human Resources Management	18,347	3.6	1,390	3.6	13,426	3.5	2,434	3.6	405	3.6	692	4.2
17 Administrative Services	63,253	12.3	4,711	12.2	46,449	12.3	8,315	12.3	1,373	12.2	2,405	14.6
18 Premises	51,683	10.1	3,922	10.0	38,545	10.2	6,835	10.0	1,152	10.0	1,229	11.8
Total, IV	182,392	35.6	13,691	35.5	134,525	35.5	24,006	35.5	3,999	35.5	6,171	37.5
Miscellaneous and Unforeseen	5,073	1.0	386	1.0	3,734	1.0	676	1.0	112	1.0	165	1.0
TOTAL	512,600	100.0	38,612	100.0	378,662	100.0	67,600	100.0	11,250	100.0	16,476	100.0
2002-2003, Share of Total	100		7.5		73.9		13.2		2.2		3.2	
2000-2001, Share of Total	100		9.4		74.5		13.4		2.3		0.4	

Table 9. Detailed Budget 2002-2003: Budget Allocation by Staff, Non-Staff and Program
(thousands of Swiss francs)

	Total A+B+C	Staff A	Non-Staff										Unallo- cated C		
			Travel and Fellowships			Contractual Services				Oper. Expenses		Equip. and Supplies		Total B	
			Staff Mission	Gov't Officials	Fellow- ships	Confe- rences	Consultants	Publishing	Other	Premises and Maint.	Comm. and Other	Furniture and Equip.			Supplies and Mater.
Part I: Policy, Direction and Management															
01 Organs of the Member States	4,500	-	-	3,500	-	1,000	-	-	-	-	-	-	-	4,500	-
02 Direction and Executive Management	11,033	7,705	959	720	-	510	422	20	167	-	505	15	10	3,328	-
03 Legal Counsel	3,692	3,074	110	150	-	170	90	36	-	-	62	-	-	618	-
04 Planning, Budgeting and Control	6,617	5,987	155	-	-	15	200	120	30	-	90	20	-	630	-
Total, I	25,842	16,766	1,219	4,375	-	1,695	712	176	197	-	657	35	10	9,076	-
Part II: Intellectual Property Systems and Global Issues															
05 Development of Industrial Property Law	9,349	6,294	735	736	-	792	680	40	8	-	56	8	-	3,055	-
06 Patent Cooperation Treaty System	132,889	104,194	665	-	-	210	572	2,630	7,347	6,143	7,203	1,666	2,259	28,695	-
07 Madrid, Hague and Lisbon Systems	33,245	26,049	314	337	-	176	600	2,377	981	298	1,680	356	77	7,196	-
08 Development of Copyright and Related Rights	7,081	3,358	556	1,229	-	931	847	20	5	-	120	-	15	3,723	-
09 Global Communications	15,322	9,486	665	247	-	-	1,160	990	1,172	-	1,206	80	316	5,836	-
10 Global Intellectual Property Issues	11,552	6,881	831	750	531	507	1,434	90	349	-	156	10	13	4,671	-
11 Arbitration and Arbitration Center	9,211	7,746	140	100	70	50	473	150	260	72	150	-	-	1,465	-
Total, II	218,649	164,008	3,906	3,399	601	2,666	5,766	6,297	10,122	6,513	10,571	2,120	2,680	54,641	-
Part III: Cooperation for Development															
12 Cooperation with Developing Countries	59,233	32,651	5,740	9,600	800	830	5,400	150	1,600	10	752	1,000	700	26,582	-
13 Cooperation with certain Countries in Europe and Asia	5,163	2,286	400	1,146	40	220	500	40	171	-	30	290	40	2,877	-
14 The WIPO Worldwide Academy	16,248	7,098	315	1,520	4,265	382	1,370	254	160	-	89	-	795	9,150	-
Total, III	80,644	42,035	6,455	12,266	5,105	1,432	7,270	444	1,931	10	871	1,290	1,535	38,609	-
Part IV: Administration															
15 Information Technology	49,109	19,923	590	550	-	480	2,340	50	13,579	2,600	620	5,200	3,177	29,186	-
16 Human Resources Management	18,347	13,364	287	-	-	28	240	100	2,875	100	531	644	178	4,983	-
17 Administrative Services	63,253	47,291	296	-	-	-	580	67	815	2,590	5,835	3,627	2,152	15,962	-
18 Premises	51,683	7,454	48	-	-	-	180	-	-	43,974	22	5	-	44,229	-
Total, IV	182,392	88,032	1,181	590	-	508	3,340	217	17,269	49,264	7,008	9,476	5,507	94,360	-
Miscellaneous and Unforeseen	5,073	-	-	-	-	-	-	-	-	-	-	-	-	-	5,073
TOTAL	512,600	310,841	12,806	20,585	5,706	6,301	17,088	7,134	29,519	55,787	19,107	12,921	9,732	196,686	5,073

**Table 10. Resource Utilization 2002-2003: Regular Budget, Surplus
and Trust Fund Activities by Program**
(Thousands of Swiss francs)

	<i>Regular Budget A</i>	<i>Surplus Resources B</i>	<i>Trust Funds C</i>	<i>Total A+B+C</i>
Part I: Policy, Direction and Management				
01 Constituent Organs of the Member States	4,500	-	-	4,500
02 Direction and Executive Management	11,033	-	-	11,033
03 Legal Counsel	3,692	-	-	3,692
04 Planning, Budgeting and Control	6,617	-	-	6,617
Total, I	25,842	-	-	25,842
Part II: Intellectual Property Systems and Global Issues				
05 Development of Industrial Property Law	9,349	-	-	9,349
06 Patent Cooperation Treaty System	132,889	-	-	132,889
07 Madrid, Hague and Lisbon Systems	33,245	-	-	33,245
08 Development of Copyright and Related Rights	7,081	-	-	7,081
09 Global Communications	15,322	-	-	15,322
10 Global Intellectual Property Issues	11,552	-	-	11,552
11 Arbitration and Mediation Center	9,211	-	-	9,211
Total, II	218,649	-	-	218,649
Part III: Cooperation for Development				
12 Cooperation with Developing Countries	59,233	-	20,200	79,433
13 Cooperation with Certain Countries in Europe and Asia	5,163	-	-	5,163
14 The WIPO Worldwide Academy	16,248	-	300	16,548
Total, III	80,644	-	20,500	101,144
Part IV: Administration				
15 Information Technology	49,109	99,547	-	148,656
16 Human Resources Management	18,347	-	-	18,347
17 Administrative Services	63,253	-	-	63,253
18 Premises	51,683	66,253	-	117,936
Total, IV	182,392	165,800	-	348,174
Miscellaneous and Unforeseen	5,073	-	-	5,073
TOTAL	512,600	165,800	20,500	698,900