

C. REVISED BUDGET FOR 2000-2001

300. As part of the new budget policy, a revised budget for 2000-2001 is presented for the first time in detail, including the resource implications of budget adjustments. The presentation of a revised budget is not a change from previous budget practice, rather than an enhancement of budget transparency as outlined in Appendix 1. In addition, the new presentation addresses shortcomings in previous budget methodology and establishes an accurate basis for comparison with the new budget proposals for 2002-2003.

Revised budget for 2000-2001 presented in accordance with the program structure of the biennium

301. The revised budget for 2000-2001 is presented in Table 12 by program, Union and object of expenditure.

302. As indicated in Table 12, the approved budget for 2000-2001 of Sfr409,705,000 is increased by Sfr40,653,000 or 9.9 per cent to Sfr450,358,000. This reflects an increase of Sfr27,769,000 under the flexibility formulas and an increase of Sfr12,884,000 under other changes, namely additional rental charges.

303. As part of budget flexibility, Member States authorized the Director General to adjust the biennial budget of the global protection systems. The formulas provide for a justifiable increase in the number of posts in case of unforeseen increases in workload. They also require corresponding decreases in case of lower than anticipated levels of workload. Appendix 3 provides a description of the flexibility formula, including proposals for adjustments and the introduction of a new formula for the WIPO Internet domain name dispute resolution process. The budget implications of applying the flexibility formulas were previously not shown as part of the revised budget, but were presented following the conclusion of the budget period in the context of the Financial Management Report.

304. The budget increase for flexibility of Sfr27,769,000 is calculated on the basis of the flexibility formula presented in Appendix 3, including the proposed adjustments and the new formula for WIPO Internet domain name dispute resolution process. This is the result of a higher than anticipated workload for the PCT, Madrid, and Hague systems and on-line dispute resolution. As shown in Section A, Table 2, the estimated number of PCT international applications in 2000-2001 has been revised from 172,000 indicated in the initial budget to 197,000 projected for the revised budget, reflecting an increase of 25,000 or 14.5 per cent. Increases for Madrid include 10,800 registrations and renewals or 20.4 per cent, for Hague 900 deposits and renewals or 6.4 per cent and for on-line dispute resolution 3,300 filings or 275 per cent

Table 12. Revised Budget 2000-2001: Budget Adjustment By Union, Object of Expenditure and Program
(Thousands of Swiss Francs)

	2000-2001		Variation						2000-2001
	Initial Budget A	Flexibility		Other Changes		Total		Revised Budget A+C	
		Amount B	% B/A	Amount C	% C/A	Amount D=B+C	% D/A		
By Union									
Contribution-financed Unions	38,612	-	-	-	-	-	-	38,612	
PCT Union	305,305	20,002	6.6	10,450	3.4	30,452	10.0	335,757	
Madrid Union	54,628	3,664	6.7	2,074	3.8	5,738	10.5	60,366	
Hague Union	9,546	543	5.7	360	3.8	903	9.5	10,449	
Arbitration/Others	1,614	3,560	220.6	-	-	3,560	220.6	5,174	
TOTAL	409,705	27,769	6.8	12,884	3.1	40,653	9.9	450,358	
By Object of Expenditure									
Staff Expenses	250,770	22,982	9.2	-	-	22,982	9.2	273,752	
Official Travel and Fellowships	37,277	-	-	-	-	-	-	37,277	
Contractual Services	52,603	-	-	-	-	-	-	52,603	
Operating Expenses	54,252	4,787	8.8	12,884	23.7	17,671	32.6	71,923	
Equipment and Supplies	14,803	-	-	-	-	-	-	14,803	
TOTAL	409,705	27,769	6.8	12,884	3.1	40,653	9.9	450,358	
By Program									
Part I: Policy Direction and Management									
01 Constituent Organs of the Member States and Office of the Director General	8,388	-	-	-	-	-	-	8,388	
02 Strategic Planning and Policy Development	11,516	67	0.6	-	-	67	0.6	11,583	
03 Legal and Organizational Affairs	8,429	2,680	31.8	-	-	2,680	31.8	11,109	
04 Program Planning and Budgeting, Financial Control and Audit	4,175	268	6.4	-	-	268	6.4	4,443	
05 Global Communications and Public Diplomacy	12,216	335	2.7	-	-	335	2.7	12,551	
Part II: Cooperation for Development and WIPO Worldwide Academy									
06 Cooperation with Developing Countries	46,972	67	0.1	-	-	67	0.1	47,039	
07 Cooperation with Certain Countries in Europe and Asia	4,515	-	-	-	-	-	-	4,515	
08 The WIPO Worldwide Academy and Human Resources Development	13,263	-	-	-	-	-	-	13,263	
Part III: Progressive Development of International IP Law and Standing Committees									
09 Development of Industrial Property Law	9,267	-	-	-	-	-	-	9,267	
10 Development of Copyright and Related Rights	8,283	-	-	-	-	-	-	8,283	
11 Global Intellectual Property Issues	4,077	-	-	-	-	-	-	4,077	
Part IV: Global Information Network and IP Information Services									
12 Information Technology and Intellectual Property Information Services	17,135	670	3.9	-	-	670	3.9	17,805	
Part V: Global Protection Systems and Services									
13 Patent Cooperation Treaty (PCT) System	121,849	12,596	10.3	-	-	12,596	10.3	134,445	
14 Madrid System, Hague System and Lisbon System	34,091	3,484	10.2	-	-	3,484	10.2	37,575	
Part VI: General Support Services									
15 Human Resources Management	15,003	402	2.7	-	-	402	2.7	15,405	
16 Administrative Support Services	49,638	1,072	2.2	-	-	1,072	2.2	50,710	
17 Premises	28,289	5,592	19.8	12,884	45.5	18,476	65.3	46,765	
18 Procurement, Contracts and Travel Services	8,500	536	6.3	-	-	536	6.3	9,036	
19 Miscellaneous and Unforeseen Activities	4,099	-	-	-	-	-	-	4,099	
TOTAL	409,705	27,769	6.8	12,884	3.1	40,653	9.9	450,358	

305. As indicated in Table 12, the application of the flexibility formulas result in a budget increase of Sfr20,002,000 for the PCT Union, Sfr3,664,000 for the Madrid Union, Sfr543,000 for the Hague Union and Sfr3,560,000 for Arbitration/Others. Following the details presented in the flexibility formula in Appendix 3, this represents an increase in staff expenses of Sfr22,982,000 and in operating expenses for rental and maintenance of premises totaling Sfr4,787,000. Table 12 also indicates the distribution of the flexibility adjustment by program. This follows the details provided in the flexibility clause on the sharing of budget allocation between main program and supporting offices.

306. As part of the budget revision, a budget increase is indicated under Other Changes in the amount of Sfr12,884,000. This corresponds to the budgetary implication resulting from a change in the renovation strategy for the ex-WMO building. In March 1998, the General Assembly approved the one-time full renovation of the ex-WMO building. Due to the pressing need for office space and anticipated savings, a two-step renovation approach was presented in Main Program 17 (Premises) of the draft program and budget for 2000-2001. Accordingly, it was proposed that the building be occupied already by the end of 1999, following a light makeover. This would be followed by a second, and full renovation in 2003, after alternative space was available with the completion of the new building. It was further anticipated that most facilities installed during the light makeover would be reused for the final renovation. On the basis of further studies, it was concluded, however, that those cost savings were unlikely to materialize and that the one-time full renovation as initially approved by the General Assembly was indeed the most cost-effective solution. During its first session in April 1999, the Program and Budget Committee was informed that the Secretariat intended to proceed along the lines of this decision. The Committee was also informed that this approach did not entail changes in the budget estimates nor the approved allocation under the Special Reserve Fund.

307. The proposed budget for 2000-2001 was based on the assumption that the ex-WMO building would be available and provide office space for 300 staff members. With the immediate launch of full renovation, this was not the case, and equivalent office space had to be rented in the Proctor and Gamble building, as indicated in the premises plan for 2000 to 2007, presented to the General Assembly in September 2000 (WO/GA/26/8). This resulted in a considerable increase in rental charges. The budgetary implications are estimated at Sfr12,884,000 on the basis of 300 workspaces at an average annual rental cost per workspace of Sfr21,473. Initially, it was anticipated that part of the additional rental cost could be charged to the renovation budget of the ex-WMO building. This was considered possible due to the anticipated savings in the renovation strategy with the remaining balance to be absorbed under the regular budget. As outlined in WO/PBC/2/4 and noted by the Program and Budget Committee in September 2000, the initial budget for the renovation of the ex-WMO building was considerably underestimated, leaving no flexibility to assume the additional rental charges. Moreover, the additional demands put on WIPO in the area of global protection systems did not allow for the absorption of the rental cost under the initial regular budget for 2000-2001.

308. The rental costs of Sfr12,884,000 represent an increase in the budget for 2000-2001 as a result of the change in the renovation strategy for the ex-WMO building. However, such an additional budget allocation would have been required in future years under the previously proposed two-step renovation strategy. Completion of the new premises is anticipated for the end of 2004. Staff would have vacated the ex-WMO building in 2005 to allow for full renovation. At that time, the WIPO-owned facilities would not have been sufficient to accommodate all staff and additional rental facilities would have been required to bridge the renovation period of two years. This is not the case under the full renovation strategy. The budget increase for the 2000-2001 biennium will, therefore, be offset by lower budget requirements in the coming biennia.

309. Table 13 presents the revised budget by indicating post adjustments by post category and program. As indicated, the application of the flexibility clause resulted in the establishment of 114 posts in the General Service category. The distribution by program follows the details provided in the flexibility clause on the sharing of budget allocation between main program and supporting offices as indicated in Table 12 above.

***Revised budget for 2000-2001 in accordance with the program structure
for the 2002-2003 biennium***

310. The new program structure for the 2002-2003 biennium is described in the introduction to the draft Program and Budget. In order to provide for a comparison between the 2001-2002 and 2002-2003 biennia, the revised budget for 2000-2001 needs to be realigned in accordance with the program structure for the new biennium. This is done without altering the program priorities and activities approved by Member States as described in Appendix 1.

311. The realignment of the revised budget for 2000-2001, in accordance with the program structure for 2002-2003 is shown in Table 14.

312. The main adjustments illustrated in Table 14 are highlighted below. New Main Program 01 (Constituent Organs of the Member States) of the program structure for 2002-2003 is established by separating the related budget provisions from the previous program which also included the Office of the Director General. New Main Program 02 (Direction and Executive Management) reflects the reassignment of activities and resources relating to the Special Council and Internal Oversight to this Main Program. New Main Program 10 (Global Intellectual Property Issues) reflects a consolidation of new and emerging issues under one program, including new activities related to Small and Medium-Sized Enterprises. New Main Program 11 (Arbitration and Mediation Center) reflects the separation of these activities from Main Program 03 (Legal and Organization Affairs) under the program structure 2000-2001. New Main Program 12 (Cooperation with Developing Countries) covers technical cooperation activities previously carried out under the main programs relating to the PCT and Madrid systems. This is also the case for new Main Program 15 (Information technology) which also covers the information technology activities

previously presented under the main programs relating to the PCT and Madrid systems. Finally, Main Program 17 (Administrative services) reflects a simplification of the program presentation by consolidating three main programs identified separately under the program structure for 2000-2001 into one.

313. The realignment of the revised budget for 2000-2001 in accordance with the program structure for 2002-2003 is presented in Table 15 with respect to post allocation and follows the logic already applied to Table 14.

314. Together, both Tables establish the basis for a comparison between the revised budget for 2000-2001 and the the proposed budget for 2002-2003.

Table 13. Revised Budget 2000-2001: Post Adjustment by Post Category and Program

	2001 Initial Budget				Flexibility				2001 Revised Budget			
	D	P	G	Total	D	P	G	Total	D	P	G	Total
Part I: Policy Direction and Management												
01	1.0	-	3.0	4.0	-	-	-	-	1.0	-	3.0	4.0
02	6.0	12.0	4.5	22.5	-	-	0.5	0.5	6.0	12.0	5.0	23.0
03	2.0	8.0	4.0	14.0	-	-	18.0	18.0	2.0	8.0	22.0	32.0
04	1.0	6.0	3.0	10.0	-	-	1.0	1.0	1.0	6.0	4.0	11.0
05	1.0	8.0	16.5	25.5	-	-	1.5	1.5	1.0	8.0	18.0	27.0
Part II: Cooperation for Development and WIPO Worldwide Academy												
06	10.0	29.0	30.5	69.5	-	-	0.5	0.5	10.0	29.0	31.0	70.0
07	-	3.0	2.0	5.0	-	-	-	-	-	3.0	2.0	5.0
08	-	7.0	7.0	14.0	-	-	-	-	-	7.0	7.0	14.0
Part III: Progressive Development of International IP Law and Standing Committees												
09	4.0	5.0	6.0	15.0	-	-	-	-	4.0	5.0	6.0	15.0
10	3.0	3.0	5.0	11.0	-	-	-	-	3.0	3.0	5.0	11.0
11	1.0	4.0	1.0	6.0	-	-	-	-	1.0	4.0	1.0	6.0
Part IV: Global Information Network and IP Information Services												
12	2.0	31.0	19.0	52.0	-	-	3.0	3.0	2.0	31.0	22.0	55.0
Part V: Global Protection Systems and Services												
13	7.0	62.0	227.0	296.0	-	-	60.0	60.0	7.0	62.0	287.0	356.0
14	2.0	20.0	53.5	75.5	-	-	15.5	15.5	2.0	20.0	69.0	91.0
Part VI: General Support Services												
15	1.0	13.0	22.0	36.0	-	-	2.0	2.0	1.0	13.0	24.0	38.0
16	4.0	35.0	90.0	129.0	-	-	6.0	6.0	4.0	35.0	96.0	135.0
17	1.0	2.0	16.0	19.0	-	-	4.0	4.0	1.0	2.0	20.0	23.0
18	-	5.0	6.0	11.0	-	-	2.0	2.0	-	5.0	8.0	13.0
TOTAL	46.0	253.0	516.0	815.0	-	-	114.0	114.0	46.0	253.0	630.0	929.0

Table 14. Revised Budget 2000-2001 According to Program Structure 2002-2003: Budget Allocation
(Thousands of Swiss francs)

<i>Revised Budget 2000-2001</i>		<i>Revised Budget 2000-2001</i>	
<i>Program Structure 2002-2003</i>	<i>Amount</i>	<i>Program Structure 2000-2001</i>	<i>Amount</i>
01 Constituent Organs of the Member States	4,500	01 Constituent Organs of the Member States and Office of the Director General	4,500
02 Direction and Executive Management	11,536	01 Constituent Organs of the Member States and Office of the Director General	3,888
		02 Strategic Planning and Policy Development	7,105
		04 Program Planning and Budgeting, Financial Control and Audit	388
		16 Administrative Support Services	155
03 Legal Counsel	3,184	03 Legal and Organizational Affairs	3,184
04 Planning, Budgeting and Control	6,660	02 Strategic Planning and Policy Development	2,605
		04 Program Planning and Budgeting, Financial Control and Audit	4,055
05 Development of Industrial Property Law	8,000	09 Development of Industrial Property Law	8,000
06 Patent Cooperation Treaty System	114,799	12 Information Technology and Intellectual Property Information Services	1,113
		13 Patent Cooperation Treaty (PCT) System	113,686
07 Madrid, Hague and Lisbon Systems	32,630	05 Global Communications and Public Diplomacy	178
		12 Information Technology and Intellectual Property Information Services	654
		14 Madrid System, Hague System and Lisbon System	31,798
08 Development of Copyright and Related Rights	8,283	10 Development of Copyright and Related Rights	8,283
09 Global Communications	12,123	03 Legal and Organizational Affairs	738
		05 Global Communications and Public Diplomacy	11,276
		07 Cooperation with Certain Countries in Europe and Asia	109
10 Global Intellectual Property Issues	9,665	02 Strategic Planning and Policy Development	1,873
		03 Legal and Organizational Affairs	2,448
		09 Development of Industrial Property Law	1,267
		11 Global Intellectual Property Issues	4,077
11 Arbitration and Mediation Center	4,739	03 Legal and Organizational Affairs	4,739
12 Cooperation with Developing Countries	52,658	06 Cooperation with Developing Countries	46,972
		08 The WIPO Worldwide Academy and Human Resources Development	109
		13 Patent Cooperation Treaty (PCT) System	4,870
		14 Madrid System, Hague System and Lisbon System	707
13 Cooperation with Certain Countries in Europe and Asia	4,406	07 Cooperation with Certain Countries in Europe and Asia	4,406

<i>Revised Budget 2000-2001</i>		<i>Revised Budget 2000-2001</i>	
<i>Program Structure 2002-2003</i>	<i>Amount</i>	<i>Program Structure 2000-2001</i>	<i>Amount</i>
14 The WIPO Worldwide Academy	14,051	05 Global Communications and Public Diplomacy	830
		06 Cooperation with Developing Countries	67
		08 The WIPO Worldwide Academy and Human Resources Development	13,154
15 Information Technology	37,998	12 Information Technology and Intellectual Property Information Services	16,038
		13 Patent Cooperation Treaty (PCT) System	15,890
		14 Madrid System, Hague System and Lisbon System	5,070
		16 Administrative Support Services	1,000
16 Human Resources Management	15,445	15 Human Resources Management	15,405
		18 Procurement, Contracts and Travel Services	40
17 Administrative Services	59,174	05 Global Communications and Public Diplomacy	267
		16 Administrative Support Services	49,555
		17 Premises	356
		18 Procurement, Contracts and Travel Services	8,996
18 Premises	46,408	17 Premises	46,408
Miscellaneous and Unforeseen	4,099	19 Miscellaneous and Unforeseen Activities	4,099
TOTAL	450,358	TOTAL	450,358

Table 15. Revised Budget 2000-2001 According to Program Structure 2002-2003: Post Allocation by Post Category

<i>Revised Budget 2000-2001</i>					<i>Revised Budget 2000-2001</i>				
<i>Program Structure 2002-2003</i>	<i>D</i>	<i>P</i>	<i>G</i>	<i>Total</i>	<i>Program Structure 2000-2001</i>	<i>D</i>	<i>P</i>	<i>G</i>	<i>Total</i>
02 Direction and Executive Management	4.0	7.0	8.0	19.0	01 Constituent Organs of the Member States and Office of the Director-General	1.0	-	3.0	4.0
					02 Strategic Planning and Policy Development	3.0	7.0	4.0	14.0
					04 Program Planning and Budgeting, Financial Control and Audit	-	-	1.0	1.0
03 Legal Counsel	2.0	3.0	2.0	7.0	03 Legal and Organizational Affairs	2.0	3.0	2.0	7.0
04 Planning, Budgeting and Control	4.0	8.0	4.0	16.0	02 Strategic Planning and Policy Development	3.0	2.0	1.0	6.0
					04 Program Planning and Budgeting, Financial Control and Audit	1.0	6.0	3.0	10.0
05 Development of Industrial Property Law	4.0	4.0	6.0	14.0	09 Development of Industrial Property Law	4.0	4.0	6.0	14.0
06 Patent Cooperation Treaty System	6.0	45.0	272.0	323.0	12 Information Technology and Intellectual Property Information Services	-	2.0	1.0	3.0
					13 Patent Cooperation Treaty (PCT) System	6.0	43.0	271.0	320.0
07 Madrid, Hague and Lisbon Systems	2.0	17.0	69.0	88.0	05 Global Communications and Public Diplomacy	-	0.5	-	0.5
					07 Cooperation with Certain Countries in Europe and Asia	-	0.5	-	0.5
					12 Information Technology and Intellectual Property Information Services	-	1.0	1.0	2.0
					14 Madrid System, Hague System and Lisbon System	2.0	15.0	68.0	85.0
08 Development of Copyright and Related Rights	3.0	3.0	5.0	11.0	10 Development of Copyright and Related Rights	3.0	3.0	5.0	11.0
09 Global Communications	1.0	8.0	18.0	27.0	03 Legal and Organizational Affairs	-	1.0	-	1.0
					05 Global Communications and Public Diplomacy	1.0	7.5	17.5	26.0
					07 Cooperation with Certain Countries in Europe and Asia	-	-	0.5	0.5
					09 Development of Industrial Property Law	-	(0.5)	-	(0.5)
10 Global Intellectual Property Issues	1.0	10.0	2.0	13.0	02 Strategic Planning and Policy Development	-	3.0	-	3.0
					03 Legal and Organizational Affairs	-	2.0	1.0	3.0
					09 Development of Industrial Property Law	-	1.0	-	1.0
					11 Global Intellectual Property Issues	1.0	4.0	1.0	6.0
11 Arbitration and Mediation Center	-	2.0	19.0	21.0	03 Legal and Organizational Affairs	-	2.0	19.0	21.0
12 Cooperation with Developing Countries	11.0	34.0	35.0	80.0	06 Cooperation with Developing Countries	10.0	29.0	30.5	69.5
					08 The WIPO Worldwide Academy and Human Resources Development	-	-	0.5	0.5
					13 Patent Cooperation Treaty (PCT) System	1.0	5.0	4.0	10.0

<i>Revised Budget 2000-2001</i>					<i>Revised Budget 2000-2001</i>				
<i>Program Structure 2002-2003</i>	<i>D</i>	<i>P</i>	<i>G</i>	<i>Total</i>	<i>Program Structure 2000-2001</i>	<i>D</i>	<i>P</i>	<i>G</i>	<i>Total</i>
13 Cooperation with Certain Countries in Europe and Asia	-	3.0	2.0	5.0	07 Cooperation with Certain Countries in Europe and Asia	-	3.0	1.5	4.5
					13 Patent Cooperation Treaty (PCT) System	-	-	0.5	0.5
14 The WIPO Worldwide Academy	-	7.0	7.0	14.0	06 Cooperation with Developing Countries	-	-	0.5	0.5
					08 The WIPO Worldwide Academy and Human Resources Development	-	7.0	6.5	13.5
15 Information Technology	2.0	47.0	33.0	82.0	12 Information Technology and Intellectual Property Information Services	2.0	28.0	20.0	50.0
					13 Patent Cooperation Treaty (PCT) System	-	14.0	12.0	26.0
					14 Madrid System, Hague System and Lisbon System	-	5.0	1.0	6.0
16 Human Resources Management	1.0	13.0	24.0	38.0	15 Human Resources Management	1.0	13.0	24.0	38.0
17 Administrative Services	4.0	41.0	104.0	149.0	05 Global Communications and Public Diplomacy	-	-	0.5	0.5
					16 Administrative Support Services	4.0	35.0	96.0	135.0
					17 Premises	-	1.0	(0.5)	0.5
					18 Procurement, Contracts and Travel Services	-	5.0	8.0	13.0
18 Premises	1.0	1.0	20.0	22.0	17 Premises	1.0	1.0	20.0	22.0
TOTAL	46.0	253.0	630.0	929.0	TOTAL	46.0	253.0	630.0	929.0