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GENEVA

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ASSEMBLIES OF THE MEMBER STATES OF WIPO

Forty-First Series of Meetings Geneva, September 26 to October 5, 2005

ACCOUNTS FOR THE 2002-2003 BIENNIUM;
INTERIM FINANCIAL STATEMENT FOR 2004;
CONTRIBUTIONS ARREARS AS OF JULY 1, 2005

Memorandum by the Director General

I. Introduction

1. The WIPO Program and Budget Committee at its eighth session from April 27 to 29, 2005, reviewed and discussed the accounts of the International Bureau for the 2002-2003 Biennium and the Interim Financial Statement for 2004 (WO/PBC/8/2). The report of the discussion at that session on the accounts for the 2002-2003 biennium is given in paragraph 15, below.

II. Accounts for the 2002-2003 Biennium

2. The accounts of the International Bureau for the 2002-2003 biennium are contained in the *Financial Management Report 2002-2003**. Copies of that report were communicated to each Member State of WIPO or the Paris Union or the Berne Union on July 31, 2004.

3. The said accounts were audited by the Director of the Swiss Federal Audit Office, appointed by the Government of Switzerland. The *Report on the Auditing of the Accounts of the World Intellectual Property Organization (WIPO) for the 2002-2003 Accounting Period*

* Document FMR/2002-2003, available upon request.

was communicated to each Member State of WIPO or the Paris Union or the Berne Union, together with the *Financial Management Report 2002-2003*, on July 31, 2004.

4. The conclusion of the report of the Auditor reads as follows:

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

5. The audit opinion referred to reads as follows:

“I have examined the financial statements constituted by Tables 9, 10, 22, 35, 36, 37 and 38 of the Financial Management Report of the World Intellectual Property Organization (WIPO) for the financial period ending on December 31, 2003. The establishment of those financial statements is the responsibility of the Director General. My role consists of expressing an opinion on them in the light of the audit undertaken by me.

“I conducted my audit in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. Those standards require me to plan and carry out the audit in such a way as to gain reasonable assurance that the financial statements are free of serious errors. An audit consists notably of examining, by sampling and to the extent considered necessary by the External Auditor in the circumstances, the supporting documents provided to back up the amounts and the data appearing in the financial statements. I consider that the audit that I undertook provides a reasonable basis for the opinion that I present here.

“In my opinion, the financial statements give a satisfactory account, on all essential points, of the financial position on December 31, 2003, and of the results of operations and movements of funds for the financial period ending on that date, in accordance with the specified accounting policies of WIPO which are set forth in the Notes on the 2002-2003 Financial Management Report, and which have been applied in a manner consistent with the previous accounting period.

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

“Pursuant to paragraph 6 of the Terms of Reference Governing Audit annexed to the WIPO Financial Regulations, I have also drawn up a detailed report on my auditing of the financial statements of WIPO, which is dated July 15, 2004.”

6. In the detailed report mentioned, the Auditor makes the following recommendations. In paragraph 35, regarding “Reserve Funds”, the Auditor writes:

“35. The levels of the Reserve Funds have had a tendency to decrease for a number of years (353 million at the end of 1998 to 115.4 million at the end of 2003) on account of budgetary imbalances due, among other things, to the lowering of the scales of registration fees. The financial indicators for the 1998-2009 period, given in Table 18

of the Revised Proposal for Program and Budget 2004-2005 (WO/PBC/7/2), foresee a drop in the Reserve Funds up to 2005, with a recovery as from 2006.

“Recommendation No. 1: I consider the status of the Reserve Funds to be a matter of sufficient concern for WIPO to be encouraged to monitor their levels with all due care, and also to take all appropriate action with a view to restoring budgetary balance on the one hand and on the other hand the levels of the Reserve Funds in such a way as to allow them, should the need arise, to perform the function for which they were constituted.”

7. Since 2003 the Secretariat has been implementing stringent budgetary austerity measures intended to reduce the volume of expenditure and thereby lessen the budget deficit. Moved by fear of the possible depletion of reserves beyond the level agreed by the Member States, the Secretariat proposed at the fortieth series of meetings of the Assemblies of the Member States of WIPO (held in Geneva from September 27 to October 5, 2004) that the PCT's international filing fee be revised upwards as from January 1, 2005 (PCT/A/33/5). The measure was not adopted by the PCT Assembly. However, the Member States noted that the Secretariat would draw on the reserves in order to maintain the present level of program implementation (PCT/A/33/7) until such time as the matter of a possible adjustment of PCT fees could be considered at a later session of the Program and Budget Committee. At the informal session of the Program and Budget Committee held on February 16, 2005, Member States were informed that, thanks to the economy measures implemented and an increase in the income from the PCT system, the Secretariat no longer considered it useful to propose any readjustment of PCT fees for 2005. They were also informed that, according to the latest expenditure projections for the 2004-2005 biennium, the level of reserves would be 92.5 million Swiss francs at the end of 2005 (WO/PBC/IM/05/2, Annex VI).

8. It should therefore be noted that Table 18 of document WO/PBC/7/2, to which the External Auditor refers in paragraph 35 of his report, has now been brought up to date. With regard to the level of reserves for the 2004-2005 biennium in particular, reference should be made to the data presented in Table VIII of document WO/PBC/8/3.

9. In paragraphs 36 to 39 of his detailed report, under “Provision for the Separation Reserve”, the Auditor makes the following recommendation:

“Recommendation No. 2: In the interest of having objective, equitable and financially justified criteria to rely upon, I consider that, in future, indemnification in connection with the separation from service of high-ranking staff members by mutual agreement before retirement age should be defined in the context of a memorandum. I invite WIPO, if it sees fit, to bring the 1998 memorandum up to date in the light of the latest decisions taken in that connection.”

10. By decision of November 12, 2004, the Director General of WIPO put an end to all termination indemnities for separation from service of high-ranking staff members before retirement age by mutual agreement and to the implementation of the 1998 memorandum, which defined the principles governing the award of such indemnities. As a consequence, as of that date, the relevant provisions of the Staff Rules and Regulations are the only regulatory frameworks for termination indemnities for separation from service before retirement age by mutual agreement.

11. In paragraph 45 of his detailed report, under “Rent for Premises”, the Auditor states:

“45. WIPO is the lessee of a building located in Chambésy which has been occupied by the WIPO Academy since the latter’s creation in 1998. In accordance with the lease, the entire amount of the rent for the 2002-2003 biennium was paid in advance in the amount of 4,089,656 francs, which is not provided for in Rule 3(a)(i) of the WIPO Financial Rules. What is more, this is contrary to the principle of prudence, as no guarantee was given by the owner in return.

“Recommendation No 3: In accordance with the provisions of its Financial Regulations, WIPO should abstain from making advance payments.”

12. The Secretariat of WIPO will indeed endeavor to limit making advance payments. It points out, however, that local market conditions sometimes dictate the payment of advances for certain services (such as rents or guarantee deposits or advance payments in respect of building projects) and that the Organization’s Financial Regulations, which have no provision for such an eventuality, do not formally preclude it.

13. In paragraph 46 of his detailed report, also on the subject of rent for premises, the Auditor writes:

“46. Between 1999 and 2000 WIPO incurred substantial expenditure on the conversion of the building in question, amounting to more than three million francs, the owner having agreed to the work. At the time of the audit, according to information received, WIPO apparently intended to vacate the premises by the end of 2005, in which case it could be obliged to return the building to its original state at its own expense, as no specific clause on the subject has been written into the rental contract.

“Recommendation No 4: I consider that WIPO should come to an arrangement with the owner and renegotiate the rental contract, incorporating in it a clause to the effect that it does not have to return the premises to their original state in the event of termination of the contract.”

14. The Secretariat has noted the above recommendation, and negotiations with the owner will be put in hand accordingly. In view of the added value represented by the conversion work done during the currency of the lease, the Secretariat believes that it will be able to secure the owner’s agreement to the proposal not to return the premises to their former state. Furthermore, notice of termination of the lease on the building was given in 2004, to take effect on December 31, 2006, and, to the extent possible, the Secretariat will propose to the owner a tenant who is in a position to succeed it and take over the lease as soon as is practicable.

15. During the eighth session of the WIPO Program and Budget Committee, which was held from April 27 to 29, 2005, it was noted by the Chairman that the accounts for the 2002-2003 biennium could be approved without reservation. The following comments were made in the discussion (WO/PBC/8/5, paragraphs 8 to 16):

“8. Introducing document WO/PBC/8/2 (“Accounts for the 2002-2003 Biennium; Interim Financial Statement for 2004”), the Secretariat said that the Financial Management Report and related Report of the External Auditor for the 2002-2003 biennium had been sent to the Member States in July 2004. It summarized the conclusions of the External Auditor’s Report, that is to say, that compliance with the

Financial Regulations and the authority given by the Organization's governing bodies had been met, and drew the Committee's attention to the four recommendations included in the report. The Secretariat added that the second part of document WO/PBC/8/2 was an interim financial statement for 2004, presenting the amount of income and expenditure and the result as compared to the revised budget for 2004/05.

"9. The Delegation of Switzerland thanked and congratulated the Secretariat on the documentation provided, and considered that the efforts made represented a significant step towards greater transparency, efficiency and a more rational budgetary policy. Concerning document WO/PBC/8/2, the Delegation welcomed the Secretariat's decision to implement the first two recommendations made by the Auditor. As to the other two recommendations, the Delegation wished that in future the Secretariat would take all necessary measures firstly to limit the payment of advances and, secondly, to organize better, from a legal point of view, the changes to certain contractual obligations binding on WIPO in relation to premises so as to avoid any wasted expense. Concerning the approval of the Financial Management Report 2002-2003, the Delegation requested clarification regarding the request for payment by the general contractor responsible for the work done on the former WMO building, on which the external auditor had issued a reservation.

"10. The Delegation of France thanked the Chairman and the Secretariat for amending the agenda so that the accounts for the 2002-2003 biennium could be examined first of all. The Delegation expressed concern as to the development of expenditure and income in general, and to staff expenditure in particular. Referring to the document entitled *Financial Management Report for the 2002-2003 Biennium* (FMR/2002-2003), it emphasized that expenses had risen by around 10 per cent, whereas income had decreased by almost 10 per cent. As to staff expenditure, the Delegation noted that it had continued to increase by more than 16 percent during the biennium and that, since expenditure relating to consultants and the hiring of services had not been included in the amounts indicated, those amounts were not moreover complete. As for termination from service, the Delegation requested clarification regarding the methods used to compensate high ranking employees when they left the Organization by mutual agreement, before retirement age, and expressed the view that the Secretariat should publish the Staff Regulations and Rules on the WIPO site so that everyone could refer to them. The Delegation also raised the issue of the premises rented by WIPO to house the Worldwide Academy, and requested information regarding the expiry date of the lease. In his audit report the External Auditor mentioned the date December 31, 2005, whereas the response from WIPO had indicated that the same premises would be vacated on December 31, 2006. The Delegation asked the Secretariat whether it was sure of recovering the funds committed to adapt the premises to the Academy's needs. As to the sum of 1.14 million Swiss francs, on which the External Auditor had issued a reservation regarding the renovation of the former WMO building, the Delegation associated itself with the Delegation of Switzerland and wished to know why the report on the renovation of the former WMO building, mentioned in the External Auditor's general report, which had been sent to Member States in July 2004 with the Financial Management Report 2002-2003, had been forwarded to Member States only on April 26, 2005.

"11. Concerning the 1.4 million Swiss franc amount referred to by the Delegation of Switzerland, the Secretariat stated that it endorsed the reservations made by the External Auditor on this particular point. It explained that the initial claims from the general

contractor (for 2.1 million Swiss francs in October 2002, and then for 2.7 million Swiss francs in December 2002) had been rejected by WIPO. Subsequently, the general contractor had revised its claim and lowered it to 1.4 million Swiss francs. That amount was then confirmed by the project's Architect in June 2004. At this point in time, the accounts had already been closed and the audit of the renovation of the WMO building was underway. In September 2004, the general contractor had proposed to reduce its claim further, to 700,000 Swiss francs. The Secretariat considered that the successive variations in the claim made by the general contractor clearly showed that this claim had been unjustified. Consequently, the said claim had not been mentioned at the time of the audit. When the Organization had mentioned the claim to the External Auditor, the audit was nearly finished, and therefore the Auditor had not been able to examine the details of this claim and substantiate it. He had therefore made a reservation regarding the substance of this claim.

“12. With regard to the Chambésy premises, the Secretariat stated that, in view of the External Auditor's comments and the amount of the rent, it had decided not to renew the lease. The owner of the premises had been duly informed of this decision. The premises would be vacated in the coming days. The rent had been paid until the end of 2005, but negotiations were currently underway with potential buyers and an agreement was likely to be reached so that the Organization would not have to pay for 2006, and possibly even be reimbursed for part of 2005. The Secretariat added that, in accordance with the recommendations of the External Auditor, negotiations were also underway concerning the transformations that the Organization had made in the Chambésy building. This was being done in order to avoid expenditure for restoring the premises to their original state.

“13. With regard to the comments made by the Delegation of France on personnel expenditure, the Secretariat confirmed that, beginning with the 2006-07 biennium, personnel expenditure would be budgeted for and presented more transparently, to cover regular staff, short-term employees, consultants and staff employed on the basis of special service agreements. In 2002-2003, real expenditure for these four categories of personnel (351.4 million Swiss francs) was nearly identical to the amount budgeted for them in the revised budget for 2002-2003 (351.3 million Swiss francs). In future, the Financial Management Report would be in conformity with this new budget structure, allowing for the provision of more consistent financial information to Member States.

“14. The Delegation of France thanked the Secretariat for its explanations. Concerned with the matter of the three million Swiss francs spent on refurbishing the premises occupied by the Academy, the Delegation expressed its desire to have greater clarification regarding the amount which WIPO considered it might recover from the investment made. As to the preparation of the budget for 2006-2007 and the changes in staff expenditure, it wished to know the annual rate of real wage adjustment which had taken place in 2002, 2003 and, if possible, in 2004, in order to adjust staff expenditure more effectively in the next budget.

“15. In reply to the question of the Delegation of France concerning the Chambésy building, the Secretariat stated that it was common practice in Geneva that the tenant refurbished premises in order to restore them to the owner in their original state. In accordance with the recommendation of the External Auditor, the Secretariat was exploring options other than the aforementioned one in order to avoid unnecessary costs and to negotiate the best conditions possible for the Organization.

“16. The Committee recommended to the Assemblies of Member States of WIPO to approve document WO/PBC/8/2 ‘Accounts for the 2002-2003 Biennium’ at its September 2005 session.”

III. Interim Financial Statement for 2004

16. The table below gives the figures for income and expenditure as of December 31, 2004, compared with the revised budget for the biennium as per document WO/PBC/8/3, and the percentage relation between the two. It should however be noted that the figures are provisional, and have not been audited.

	Actual figures for 2004 <small>(thousands of Swiss francs)</small>	2004-2005 revised budget <small>(thousands of Swiss francs)</small>	Percentage
Income			
Contributions	17 209	34 500	49.9
Fees			
PCT system	193 956	388 800	49.9
Madrid system	27 172	62 000	43.8
The Hague system	<u>2 593</u>	<u>5 300</u>	<u>48.9</u>
	223 721	456 100	49.1
Publications	2 240	4 000	56.0
Other income	3 125	7 000	44.6
Interest	<u>4 278</u>	<u>6 800</u>	<u>62.9</u>
Total income	250 573	508 400	49.3
Expenditure			
Staff expenditure			
Posts	142 892	284 129	50.3
Short-term staff	25 561	48 195	53.0
Consultants	8 237	13 153	62.6
Contracts for services rendered	<u>1 833</u>	<u>3 799</u>	<u>48.2</u>
	178 523	349 276	51.1
Other expenditure			
Official travel and fellowships	7 159	28 874	24.8
Contractual services	21 616	49 743	43.5
Operational expenses	39 133	71 326	54.9
Material and supplies	<u>3 294</u>	<u>18 603</u>	<u>17.7</u>
	71 202	168 546	42.2
Not allocated	<u>1 542</u>	<u>5 178</u>	<u>29.8</u>
Total expenditure	251 267	523 000	48.0
Result			
	(694)	(14 600)	

IV. Status of Payment of Contributions as of July 1, 2005

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

17. The following table shows the arrears in contributions on July 1, 2005, under the unitary contribution system which has been applicable since January 1, 1994, and under the previously applicable contribution systems of the six Contribution-financed Unions (Paris, Berne, IPC, Nice, Locarno, Vienna) and of WIPO (for States members of WIPO not members of any of the Unions), with the exception of arrears in contributions of the least developed countries (LDCs) concerning the years preceding 1990, placed in a special (frozen) account, which are not shown in this table but are shown in the table in paragraph 21, below.

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
Albania		No arrears			
Algeria	Unitary	05		5 697	0.05
Andorra		No arrears			
Angola		No arrears			
Antigua and Barbuda		No arrears			
Argentina	Unitary	02*+03+04+05		358 147	3.34
Armenia		No arrears			
Australia		No arrears			
Austria		No arrears			
Azerbaijan		No arrears			
Bahamas		No arrears			
Bahrain	Unitary	05		5 697	0.05
Bangladesh		No arrears			
Barbados		No arrears			
Belarus		No arrears			
Belgium		No arrears			
Belize	Unitary	05		2 849	0.03
Benin		No arrears			
Bhutan		No arrears			
Bolivia	Unitary	96*+97+98+99+00+01+02+03+04+05		28 123	0.26
Bosnia and Herzegovina		No arrears			
Botswana		No arrears			
Brazil	Unitary	05		91 158	0.85
Brunei Darussalam		No arrears			
Bulgaria		No arrears			
Burkina Faso	Unitary	03*+04+05		3 709	0.03
Burundi	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	18 939		
	Paris	90+91+92+93	13 276	32 215	0.30
Cambodia	Unitary	05		1 424	0.01
Cameroon		No arrears			
Canada		No arrears			
Cape Verde	Unitary	98+99+00+01+02+03+04+05		11 884	0.11
Central African Republic	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	18 939		
	Paris	90+91+92+93	13 276		
	Berne	90+91+92+93	7 460	39 675	0.37

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
Chad	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	18 939		
	Paris	90+91+92+93	13 276		
	Berne	90+91+92+93	7 460	39 675	0.37
Chile	Unitary	05		11 395	0.11
China	Unitary	05		341 842	3.19
Colombia	Unitary	03*+04+05		24 583	0.23
Congo	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	37 885		
	Paris	87*+88+89+90+91+92+93	129 099		
	Berne	87+88+89+90+91+92+93	77 829	244 813	2.28
Costa Rica	Unitary	05*		2 453	0.02
Côte d'Ivoire	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	41 431		
	Paris	92+93	27 597		
	Berne	91*+92+93	50 726	119 754	1.12
Croatia		No arrears			
Cuba	Unitary	05		5 697	0.05
Cyprus		No arrears			
Czech Republic		No arrears			
Democratic People's Republic of Korea		No arrears			
Democratic Republic of the Congo	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	18 939		
	Paris	90+91+92+93	159 959		
	Berne	90+91+92+93	90 326	269 224	2.51
Denmark		No arrears			
Djibouti	Unitary	03+04+05		4 272	0.04
Dominica	Unitary	04+05		5 698	0.05
Dominican Republic	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	52 823		
	Paris	63+64+65+66+67+68+69+70+71+72+ 73+74+75+76+77+78+79+80+81+82+ 83+84+85+86+87+88+89+90+91+92+93	969 910	1 022 733	9.53
Ecuador		No arrears			
Egypt		No arrears			
El Salvador		No arrears			
Equatorial Guinea		No arrears			
Eritrea	Unitary	05		1 424	0.01
Estonia		No arrears			
Ethiopia		No arrears			
Fiji	Unitary	04+05		5 698	0.05
Finland		No arrears			
France	Unitary	05*		299 538	2.79
Gabon	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	41 431		
	Paris	84+85+86+87+88+89+90+91+92+93	210 994		
	Berne	83*+84+85+86+87+88+89+90+91+92+93	132 138	384 563	3.59
Gambia	Unitary	97*+98+99+00+01+02+03+04+05		13 404	0.12
Georgia		No arrears			
Germany	Unitary	05*		301 511	2.81
Ghana	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	37 885		
	Paris	81*+82+83+84+85+86+87+88+89+ 90+91+92+93	236 335		
	Berne	93	3 823	278 043	2.59
Greece	Unitary	05*		34 183	0.32
Grenada	Unitary	04+05		5 698	0.05
Guatemala		No arrears			
Guinea	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	18 939		
	Paris	90+91+92+93	13 276		
	Berne	90+91+92+93	7 460	39 675	0.37

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
Guinea-Bissau	Unitary Paris Berne	94+95+96+97+98+99+00+01+02+03+04+05 90+91+92+93 92+93	18 939 13 276 3 858	36 073	0.34
Guyana	Unitary	04*+05		4 336	0.04
Haiti	Unitary Paris	94+95+96+97+98+99+00+01+02+03+04+05 90*+91+92+93	18 939 11 852	30 791	0.29
Holy See		No arrears			
Honduras		No arrears			
Hungary		No arrears			
Iceland		No arrears			
India		No arrears			
Indonesia	Unitary	05		45 579	0.43
Iran (Islamic Republic of)	Unitary	05		45 579	0.43
Iraq	Unitary Paris	94+95+96+97+98+99+00+01+02+03+04+05 84+85+86+87+88+89+90+91+92+93	109 688 410 582	520 270	4.85
Ireland		No arrears			
Israel		No arrears			
Italy	Unitary	05*		528 100	4.92
Jamaica	Unitary	05		2 849	0.03
Japan	Unitary	05		1 139 475	10.62
Jordan		No arrears			
Kazakhstan		No arrears			
Kenya	Unitary	05		2 849	0.03
Kuwait	Unitary	05		11 395	0.11
Kyrgyzstan		No arrears			
Lao People's Democratic Republic		No arrears			
Latvia		No arrears			
Lebanon	Unitary Paris Berne Nice	94+95+96+97+98+99+00+01+02+03+04+05 85*+86+87+88+89+90+91+92+93 85+86+87+88+89+90+91+92+93 85+86+87+88+89+90+91+92+93	40 733 247 593 294 361 23 502	606 189	5.65
Lesotho		No arrears			
Liberia ¹	Unitary Berne	94+95+96+97+98+99+00+02+03+04+05 91*+92+93	17 515 12 181	29 696	0.28
Libyan Arab Jamahiriya	Unitary	00*+01+02+03+04+05		69 170	0.64
Liechtenstein		No arrears			
Lithuania	Unitary	05		11 395	0.11
Luxembourg		No arrears			
Madagascar	Unitary	04*+05		1 888	0.02
Malawi		No arrears			
Malaysia	Unitary	05		22 789	0.21
Maldives		No arrears			
Mali		No arrears			
Malta		No arrears			
Mauritania	Unitary Paris Berne	94+95+96+97+98+99+00+01+02+03+04+05 90+91+92+93 90+91+92+93	18 939 13 276 7 460	39 675	0.37
Mauritius		No arrears			
Mexico	Unitary	05*		109	0.00
Micronesia (Federated States of)	Unitary	04+05		5 698	0.05

¹ Installment plan concluded in May 2000 in order to settle the arrears of the Berne Union and under the unitary contribution system by four yearly installments. The first installment payment was received during the year 2002.

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (Swiss francs)		% of Total Arrears
Monaco		No arrears			
Mongolia		No arrears			
Morocco		No arrears			
Mozambique		No arrears			
Myanmar	Unitary	05		1 424	0.01
Namibia		No arrears			
Nepal		No arrears			
Netherlands		No arrears			
New Zealand		No arrears			
Nicaragua		No arrears			
Niger	Unitary Paris Berne	94+95+96+97+98+99+00+01+02+03+04+05 90+91+92+93 90+91+92+93	18 939 13 276 7 460	39 675	0.37
Nigeria	Unitary Paris	94+95+96+97+98+99+00+01+02+03+04+05 91*+92+93	273 310 237 156	510 466	4.76
Norway		No arrears			
Oman		No arrears			
Pakistan		No arrears			
Panama	Unitary	04*+05		4 675	0.04
Papua New Guinea	Unitary	02+03+04+05		11 396	0.11
Paraguay	Unitary	02*+03+04+05		9 361	0.09
Peru	Unitary	00*+01+02+03+04+05		43 651	0.41
Philippines	Unitary	04*+05		7 996	0.07
Poland		No arrears			
Portugal	Unitary	05*		52 743	0.49
Qatar		No arrears			
Republic of Korea		No arrears			
Republic of Moldova		No arrears			
Romania		No arrears			
Russian Federation		No arrears			
Rwanda	Unitary	04*+05		2 407	0.02
Saint Kitts and Nevis	Unitary	05		2 849	0.03
Saint Lucia		No arrears			
Saint Vincent and the Grenadines	Unitary	99*+00+01+02+03+04+05		19 341	0.18
Samoa		No arrears			
San Marino		No arrears			
Sao Tome and Principe	Unitary	99+00+01+02+03+04+05		10 126	0.09
Saudi Arabia		No arrears			
Senegal		No arrears			
Serbia and Montenegro	Unitary Paris Berne Nice Locarno	94+95+96+97+98+99+00+01 93* 91+92+93 93 93	847 668 79 996 135 984 6 447 2 247	1 072 342	10.00
Seychelles	Unitary	01+02+03+04+05		14 245	0.13
Sierra Leone		No arrears			
Singapore		No arrears			
Slovakia		No arrears			
Slovenia		No arrears			
Somalia	Unitary WIPO	94+95+96+97+98+99+00+01+02+03+04+05 90+91+92+93	18 939 4 452	23 391	0.22
South Africa		No arrears			
Spain		No arrears			
Sri Lanka		No arrears			

State	Unitary/ Union/ WIPO	No Arrears/Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
Sudan		No arrears			
Suriname	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	37 885		
	Paris	90+91+92+93	64 819		
	Berne	89*+90+91+92+93	45 517		
	IPC	89+90+91+92+93	41 279		
	Nice	89+90+91+92+93	7 532	197 032	1.84
Swaziland	Unitary	05		2 849	0.03
Sweden		No arrears			
Switzerland		No arrears			
Syrian Arab Republic		No arrears			
Tajikistan		No arrears			
Thailand		No arrears			
The former Yugoslav Republic of Macedonia		No arrears			
Togo	Unitary	94+95+96+97+98+99+00+01+02+03+04+05	18 939		
	Paris	92+93	6 899		
	Berne	92+93	3 858	29 696	0.28
Tonga	Unitary	05		2 849	0.03
Trinidad and Tobago		No arrears			
Tunisia	Unitary	05*		483	0.00
Turkey	Unitary	05*		32 558	0.30
Turkmenistan		No arrears			
Uganda	Unitary	04+05		2 848	0.03
Ukraine		No arrears			
United Arab Emirates		No arrears			
United Kingdom		No arrears			
United Republic of Tanzania		No arrears			
United States of America	Unitary	04*+05		1 392 636	12.98
Uruguay	Unitary	01+02+03+04+05		28 485	0.27
Uzbekistan		No arrears			
Venezuela	Unitary	05		11 395	0.11
Viet Nam		No arrears			
Yemen	Unitary	05		1 424	0.01
Zambia		No arrears			
Zimbabwe	Unitary	03+04+05		8 547	0.08

Total amount of arrears

Unitary Contributions		6 868 166	
Contribution-financed Unions and WIPO		3 859 083	
Grand Total		10 727 249	100.00

Observations

18. The total amount of the overdue contributions was, on July 1, 2005, about 10.7 million francs, of which 6.9 million francs concern the unitary contribution system, whereas 3.9 million francs concern the pre-1994 contributions in respect of the Contribution-financed Unions and WIPO. The total amount of arrears corresponds to 62% of the amount of the contributions payable for 2005, namely, 17.2 million francs.

19. Any payment that reaches the International Bureau between July 1 and September 20, 2005, will be reported to the Assemblies when they examine the present document.

20. The list of States with loss of voting right in one or more Assemblies as of September 20, 2005, will be communicated on request.

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

21. It is recalled that, in accordance with the decision taken by the WIPO Conference and the Assemblies of the Paris and Berne Unions at their 1991 ordinary sessions, the amount of the arrears in contributions of any least developed country (LDC) relating to years preceding 1990 was placed in a special account, the amount of which was frozen as of December 31, 1989 (AB/XXII/20 and AB/XXII/22, paragraph 127). Such arrears in contributions, as of July 1, 2005, concerning the Paris and Berne Unions and concerning WIPO are shown in the following table. Any payment that reaches the International Bureau between July 1 and September 20, 2005, will be reported to the Assemblies when they examine the present document.

State	Union/ WIPO	Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
Burkina Faso	Paris	77*+78+79+80+81+82+83+84+85+86+87+88+89	217 518		7.75
	Berne	77+78+79+80+81+82+83+84+85+86+87+88+89	137 566	355 084	
Burundi	Paris	78+79+80+81+82+83+84+85+86+87+88+89		214 738	4.69
Central African Republic	Paris	76*+77+78+79+80+81+82+83+84+85+86+87+88+89	273 509		8.47
	Berne	80*+81+82+83+84+85+86+87+88+89	114 858	388 367	
Chad	Paris	71+72+73+74+75+76+77+78+79+80+81+82+83+84+85+86+87+88+89	250 957		8.89
	Berne	72+73+74+75+76+77+78+79+80+81+82+83+84+85+86+87+88+89	156 387	407 344	
Democratic Republic of the Congo	Paris	81*+82+83+84+85+86+87+88+89	500 200		17.48
	Berne	81*+82+83+84+85+86+87+88+89	301 015	801 215	
Gambia	WIPO	83+84+85+86+87+88+89		55 250	1.21
Guinea	Paris	83+84+85+86+87+88+89	148 779		5.02
	Berne	83*+84+85+86+87+88+89	81 293	230 072	
Guinea-Bissau	Paris	89		23 213	0.51
Haiti	Paris	79*+80+81+82+83+84+85+86+87+88+89		347 037	7.57
Madagascar	Berne	89*		520	0.01
Mali	Paris	84+85+86+87+88+89	132 377		6.49
	Berne	76*+77+78+79+80+81+82+83+84+85+86+87+88+89	165 124	297 501	
Mauritania	Paris	77*+78+79+80+81+82+83+84+85+86+87+88+89	219 120		8.07
	Berne	74+75+76+77+78+79+80+81+82+83+84+85+86+87+88+89	150 618	369 738	
Niger	Paris	81+82+83+84+85+86+87+88+89	179 097		6.31
	Berne	80*+81+82+83+84+85+86+87+88+89	110 069	289 166	
Rwanda	Paris	89	23 213		0.81
	Berne	89	13 816	37 029	
Somalia	WIPO	83+84+85+86+87+88+89		55 250	1.21

State	Union/ WIPO	Year(s) of Arrears (<i>partial payment is indicated by an asterisk</i>)	Amount of Arrears (<i>Swiss francs</i>)		% of Total Arrears
	Paris	84+85+86+87+88+89	132 377		
	Berne	83*+84+85+86+87+88+89	87 785	220 162	4.80
Uganda	Paris	74*+75+76+77+78+79+80+81+82+ 83+84+85+86+87+88+89		238 420	5.20
United Republic of Tanzania	Paris	81*+82+83+84+85+86+87+88+89		233 380	5.09
Yemen	WIPO	87*+88+89		19 142	0.42

Total amount of arrears

Paris	3 133 935	
Berne	1 319 051	
WIPO	129 642	
Grand Total	4 582 628	100.00

Amounts due towards the Working Capital Funds

22. The following table shows the amounts due, on July 1, 2005, in the payments by States towards the working capital funds that have been constituted, namely, those of two Contribution-financed Unions (Paris and Berne) and the PCT Union. Any payment that reaches the International Bureau between July 1 and September 20, 2005, will be reported to the Assemblies when they examine the present document.

State	Union	Amount due (<i>Swiss francs</i>)	
Burundi	Paris		7 508
Central African Republic	Paris		943
Chad	Paris	6 377	
	Berne	1 980	8 357
Democratic Republic of the Congo	Paris	14 057	
	Berne	1 727	15 784
Dominican Republic	Paris		7 748
Guinea	Paris	7 508	
	Berne	2 915	10 423
Iraq	Paris		6 665
Mauritania	Paris	5 813	
	Berne	1 980	
	PCT	50	7 843
Niger	Paris	3 845	
	Berne	104	3 949

Total amount due towards the Working Capital Funds

Paris Union	60 464
Berne Union	8 706
PCT Union	50
Grand Total	69 220

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

(i) approve the accounts for the 2002-2003 biennium (paragraphs 2 to 15, above);

(ii) approve the Financial Management Report 2002-2003 (document FMR/2002-2003);

(iii) note the interim financial statement for 2004 (paragraph 16, above);

(iv) note the status of the payment of contributions as of July 1, 2005 (paragraphs 17 to 22, above).

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