

# WIPO



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## **ASSEMBLIES OF THE MEMBER STATES OF WIPO**

### **Forty-Second Series of Meetings Geneva, September 25 to October 3, 2006**

REPORT ON, AND RECOMMENDATIONS ADOPTED BY, THE NINTH AND TENTH  
SESSIONS OF THE PROGRAM AND BUDGET COMMITTEE

*prepared by the Secretariat*

#### **I. INTRODUCTION**

1. Since the 2005 session of the Assemblies of the Member States of WIPO, the Secretariat has convened two formal sessions and two informal consultations of the Program and Budget Committee (PBC). The purpose of this document is to report on those sessions and forward for the consideration of the 2006 session of the Assemblies of the Member States of WIPO the relevant recommendations of the Committee.

#### **II. NINTH SESSION OF THE PROGRAM AND BUDGET COMMITTEE (JANUARY 11 TO 13, 2006)**

2. The ninth session of the Program and Budget Committee (PBC) was convened from January 11 to 13, 2006. The report of this session is contained in Annex I of the present document (document WO/PBC/9/5).

3. At that session, agenda item 5 concerned “WIPO Financial Regulation 4.1 (“Transfers”) in light of the Recommendation of the Joint Inspection Unit”. To address the issue, the Secretariat had prepared a document (WO/PBC/9/3) in which, while supporting the rationale of the JIU recommendation, it proposed to mitigate it, to enable greater managerial flexibility, in particular with respect to smaller programs. Following discussion, and having also heard

the views of the Joint Inspection Unit (JIU) and the External Auditor, the Committee adopted the recommendation reproduced below (Annex I, paragraph 102):

“102. The Program and Budget Committee decided to recommend to the General Assembly that:

“(i) transfers from one program to another program shall be limited, for each given biennial period, to five per cent of the amount corresponding to the biennial appropriation of the receiving program or to one per cent of the total budget, whichever is higher, on the understanding, however, that this interpretation of Financial Regulation 4.1 would not be applied before the conclusion of the current biennium after the desk-to-desk exercise and, also, that it would not prejudice the decision of the 2005 Assemblies on budget adjustments; and that

“(ii) a draft comprehensive revision of the WIPO Financial Rules and Regulations shall be submitted to the April 2007 session of the Program and Budget Committee for consideration.”

4. The attention of the Member States is drawn to the fact that when the Committee adopted this recommendation in January 2006, a new mechanism for preparation of the Program and Budget was still under consideration. This is why in this January 2006 recommendation the Committee referred to the “April 2007 session” of the Committee. In fact, based on the new mechanism recommended by the Committee at its last session (please see below), the first session of the Committee in 2007 would be held in May/June.

### III. TENTH SESSION OF THE PROGRAM AND BUDGET COMMITTEE (JULY 11 TO 13, 2006)

5. The tenth session of the Program and Budget Committee (PBC) was held from July 11 to 13, 2006. The report of this session is contained in Annex II of the present document (document WO/PBC/10/5).

6. At that session, agenda item 3 concerned “Proposals on a New Mechanism to further involve Member States in the Preparation and Follow Up of the Program and Budget”. The document prepared by the Secretariat to address the issue (document WO/PBC/10/2), summarized the discussions that had taken place in the two informal sessions of the Committee which had been convened by the Secretariat on April 7 and June 6, 2006, respectively, and, based on the discussions held at those sessions, proposed the phased introduction of a new mechanism with transitional implementation in the 2006/07 biennium and full implementation from 2008 onwards. It also proposed an amendment to the current text of Financial Regulation 3.2 in order to adjust it to the requirements of the proposed new mechanism.

7. The recommendation adopted by the tenth session of the Committee on agenda item 3 is reproduced below (Annex II, paragraph 25):

“25. With reference to the new mechanism to further involve Member States in the preparation and follow up of the Program and Budget of the Organization, the

Program and Budget Committee recommended to the Assemblies of the Member States of WIPO and the Unions administered by WIPO, each as far as it is concerned:

“(i) to amend the text of WIPO Financial Regulation 3.2 as follows<sup>1</sup>:

““The Director General shall submit to the Program and Budget Committee, for [observations and possible recommendations] discussion, comments and recommendations, including possible amendments, by the first of [May] July of the year preceding the financial period, the draft program and budget for that financial period; ....’;

“(ii) to adopt the new mechanism set out in Annex III of this report [Annex III of document WO/PBC/10/5] for the transitional phase (2006/07); and

“(iii) to adopt the new mechanism set out in Annex IV of this report [Annex IV of document WO/PBC/10/5] from 2008 onwards.”

*8. The General Assemblies of the Member States of WIPO and the Unions administered by it, are invited to:*

*(i) approve the recommendations of the ninth session of the Program and Budget Committee as reproduced in Annex I, paragraph 102, of the present document;*

*(ii) approve the recommendations of the tenth session of the Program and Budget Committee as reproduced in Annex II, paragraph 25, of the present document;*

*(iii) take note of the report of the ninth session of the Program and Budget Committee as contained in Annex I of the present document (in particular, paragraphs 191, 209 and 219); and*

*(iv) take note of the report of the tenth session of the Program and Budget Committee as contained in Annex II of the present document (in particular, paragraph 26).*

[Annexes follow]

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<sup>1</sup> Recommended deletions are in square brackets and recommended amendments are underlined.