

**WIPO Independent Advisory Oversight Committee**

**Fifty-Fourth Session**  
**Geneva, September 17 to 20, 2019**

REPORT

*adopted by the WIPO Independent Advisory Oversight Committee*

## **INTRODUCTION**

1. The 54<sup>th</sup> session of the WIPO Independent Advisory Oversight Committee (IAOC) took place from September 17 to 20, 2019. Present were Misses Maria Vicien-Milburn (Chair) and Tatiana Vasileva (Vice-Chair), Messrs. Gabor Amon, Mukesh Arya and Othman Sharif. Messrs. Egbert Kaltenbach and Zhang Long sent apologies for their absences.

### **AGENDA ITEM 1: ADOPTION OF THE AGENDA**

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2. After an initial internal discussion of its draft Agenda, the Committee adopted a revised agenda that is attached to this report as Annex I. A list of session documents is attached as Annex II.

### **AGENDA ITEM 2: CONFLICT OF INTEREST DECLARATION**

3. Members present were asked to disclose any actual or potential conflict of interest. No conflict of interest was reported.

### **AGENDA ITEM 3: MATTERS ARISING FROM PREVIOUS SESSION**

4. The IAOC took stock of the actions carried out following the decisions taken at its 53<sup>rd</sup> session.

### **AGENDA ITEM 4: MATTERS ARISING FROM THE PROGRAM AND BUDGET COMMITTEE (PBC) 30<sup>TH</sup> SESSION**

5. At its 30<sup>th</sup> session, the Program and Budget Committee (PBC) recommended to the WIPO General Assembly to take note of the "Report by the WIPO Independent Advisory Oversight Committee (IAOC)" (WO/PBC/30/2). The Committee was pleased to note that its annual report had been well received.

### **AGENDA ITEM 5: MEETING WITH THE DIRECTOR GENERAL**

6. The Director General briefed the Committee on the current activities of the Organization.

### **AGENDA ITEM 6: INTERNAL OVERSIGHT**

7. The Committee discussed with the Director, Internal Oversight Division (IOD) the IOD Activity Report for the present quarter.

8. The Director, IOD, informed the Committee that all oversight reports subject to IOD's Report Publication Policy (IOD/PP/2017) had been published on IOD's website.

#### *Evaluation*

9. The Committee reviewed, together with the Director, IOD, and Management, an evaluation report: Evaluation of the Regional Bureau for Asia and the Pacific, issued on December 12, 2018. The report presented two recommendations, one of high and another of medium priority. The high priority recommendation suggested building on existing project monitoring framework strengths by factoring in results based budgeting, gender elements and reporting against results based indicators. The Committee took note of the very clear and positive report on the relevance of the Regional Bureau of Asia and the Pacific and its contributions to make intellectual property work towards sustainable development.

10. While the report was very comprehensive, the Committee nonetheless suggested that evaluation reports be concise and more user-friendly.

### *Investigations*

11. The Committee was briefed on the status of investigation cases. Since its last session, five new cases were opened and 13 cases were closed; in three instances, the allegations were substantiated. As of August 31, 2019, there were eight pending investigation cases, of which three were under preliminary evaluation, three under full investigation and two cases on hold. Of the eight pending cases, one was registered in 2016, three in 2018 and four in 2019.

12. The Committee deliberated on a number of pending cases and provided advice.

13. In accordance with its Terms of Reference, the Committee also met in a private session with the Director, IOD.

### **AGENDA ITEM 7: FINANCIAL REPORTING: BRIEFING ON FINANCIAL PERSPECTIVE OF 2020/21 BIENNIUM**

14. The Committee was briefed on the Proposed Program and Budget for the 2020/21 Biennium that had been presented at the 29<sup>th</sup> and 30<sup>th</sup> sessions of the PBC.

### **AGENDA ITEM 8: BRIEFING ON CAPITAL MASTER PLAN**

15. The Committee was briefed on the Capital Master Plan for 2020-29 that had been presented to the PBC at its 30<sup>th</sup> session in July 2019. It included an updated rolling 10-year Capital Master Plan for Premises, Safety and Security, and proposals for a number of projects. As highlighted to the Committee, WIPO requires continued capital investments in the areas of premises, safety and security, and Information and Communication Technology initiatives in order to remain fit-for-purpose.

### **AGENDA ITEM 9: EXTERNAL AUDIT: AUDIT PLANNING REPORT**

16. The Committee discussed with the External Auditor, and with Management also in attendance, the draft 2019 External Audit Planning Report.

17. The External Auditor explained the areas of audit focus, particularly addressing the risk of fraud, contingent liabilities, new transaction streams, and changes to accounting policies and presentation. In accordance with relevant International Standards on Auditing, the audit of WIPO's Financial Statements had been planned to respond to the risks of material misstatement. The Committee was informed how the External Auditor had assessed risks, the basis for materiality, and how the External Auditor would respond to the identified risks.

18. In addition, the External Auditor intends to focus on performance audits of External Offices and Governance and Internal Control.

19. In accordance with its Terms of Reference, the Committee also met in a private session with the External Auditor.

### **AGENDA ITEM 10: ETHICS**

20. The Committee discussed with the Chief Ethics Officer the revised draft Office Instruction on the Ethics Office, which the Committee received on July 26, 2019. The Committee regrets that its prior advice on a number of points was not taken into account in the revised version. In particular, the Committee was not satisfied with the explanation provided by the Chief Ethics Officer concerning the interaction between the Ethics Office and the IAOC in resolving situations

of actual or potential conflicts of interest. The Committee had provided advice, as far back as May 2018, to the Director General and the Chief Ethics Officer on the proposed Office Instruction and on specific language suggested. Unfortunately, the revised draft fails to address mechanisms intended to implement the principles set out in the IAOC Terms of Reference. At that time, the Committee had emphasized that the involvement of the Oversight Committee in the ethics function followed the practice of a number of other UN organizations and that, for the sake of clarity, the interaction between the Ethics Office and the IAOC should be mirrored in the Ethics Office's own Terms of Reference.

21. The Committee also discussed with the Chief Ethics Officer the Annual Report of the Ethics Office to the WIPO Coordination Committee (WO/CC/76/INF/2). In particular, the Committee requested clarification and information on statistics provided in paragraphs 24 and 25 of the Annual Report concerning determinations by the Chief Ethics Officer of complaints of retaliation and review of such determinations by the Ethics Office of the United Nations Office for Project Services (UNOPS).

22. The Committee discussed in closed session a complaint of retaliation, which, due to a protracted unresolved conflict of interest situation, is still awaiting final determination. Subsequently, the Committee provided advice to the Chief Ethics Officer on how to proceed, with a view to addressing the conflict of interest and bringing the matter to a close.

23. In addition, the Committee notes that WIPO's Policy to Protect against Retaliation (OI/33/2017) has been in force since September 2017. Based on the experience gained so far, the Committee sees room for further enhancing whistle-blower protection, *inter alia*, by better addressing conflict of interest situations in the process. The Committee intends to submit proposals to that effect to the Director General for his consideration.

24. The Committee noted with concern that four recommendations resulting from the internal audit review of WIPO's Ethical Framework (IA 2016-06) are still outstanding. One out of the four recommendations is ranked high risk; the remaining three are medium risk.

#### **AGENDA ITEM 11: OMBUDSMAN: ACTIVITY REPORT FOR 2018**

25. The Committee discussed with the Ombudsman his activity report covering the period from January 1 through December 31, 2018. The Committee was pleased to note that the Ombudsman reported that during this period there had been an increase in preventive consultations at his office.

26. In his report, the Ombudsman made three broad-spectrum recommendations, the implementation of which the Committee intends to monitor. The Committee noted the high quality of the Ombudsman's report and recommends to Member States that they consider requesting access to the Ombudsman's regular Activity Reports.

#### **AGENDA ITEM 12: BRIEFING ON EXTERNAL OFFICES**

27. The Assistant Director General and Chief of Staff briefed the Committee on the operational and economic relevance of WIPO's External Offices.

#### **AGENDA ITEM 13: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES**

28. As provided in its Terms of Reference, an information meeting was held with Member States. The Committee briefed representatives of Member States on deliberations during the present session and responded to questions posed by the attending delegates.

## **AGENDA ITEM 14: OTHER MATTERS**

### *Investment Reports*

29. Management submitted to the Committee the Investment Performance Reports and the Investment Monitoring Reports for July and August 2019, prepared by the Investment Advisors and the Custodian, respectively. The corresponding reports for September 2019 were not yet available.

30. The Committee reviewed the documents received and confirms that the information provided shows that during the period reviewed, and based on the investment market benchmark, all the vehicles in WIPO's investment portfolio delivered the expected results and were managed in accordance with the stated investment strategy. In addition, the Committee confirms that the Custodian did not report any breaches, active or passive, or justified exceptions.

### *Next Session*

31. The IAOC's next session will take place from Monday, December 2 to Friday, December 6, 2019. The draft Agenda for that session is as follows:

- (1) Adoption of the Agenda
- (2) Conflict of Interest Declaration
- (3) Matters arising from previous Session
- (4) Matters arising from the WIPO General Assembly and Coordination Committee Sessions
- (5) Meeting with the Director General
- (6) Internal Oversight: Proposed Workplan 2020
- (7) Follow up on Oversight Recommendations
- (8) External Audit
- (9) Ethics: Proposed Workplan 2020
- (10) Election of Chair and Vice Chair for 2020
- (11) IAOC Self-Assessment
- (12) Information Meeting with Member States' Representatives
- (13) Other Matters

[Annexes follow]





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**WO/IAOC/54/1**  
**ORIGINAL: ENGLISH**  
**DATE: NOVEMBER 6, 2019**

## **WIPO Independent Advisory Oversight Committee**

**Fifty-Fourth Session**  
**Geneva, September 17 to 20, 2019**

### AGENDA

*prepared by the WIPO Independent Advisory Oversight Committee*

1. Adoption of the Agenda
2. Conflict of Interest Declaration
3. Matters arising from previous Session
4. Matters arising from the Program and Budget Committee (PBC) 30<sup>th</sup> Session
5. Meeting with the Director General
6. Internal Oversight
7. Financial Reporting: Briefing on Financial Perspective of 2020/21 Biennium
8. Briefing on Capital Master Plan
9. External Audit: Audit Planning Report
10. Ethics: Revised draft Office Instruction on the Ethics Office
11. Ombudsman: Activity Report for 2018
12. Briefing on External Offices
13. Information Meeting with Member States' Representatives

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14. Other Matters

[Annex II follows]





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**WO/IAOC/54/INF/1**  
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### LIST OF DOCUMENTS

**ITEM 1: ADOPTION OF THE AGENDA**

- [01] Agenda
- [02] Timetable
- [03] List of Documents

**ITEM 2: CONFLICT OF INTEREST DECLARATION**

No document:

**ITEM 3: MATTERS ARISING FROM PREVIOUS SESSION**

No document:

**ITEM 4: MATTERS ARISING FROM THE PROGRAM AND BUDGET COMMITTEE (PBC)  
30<sup>TH</sup> SESSION**

- [04] List of Decisions adopted by the Program and Budget Committee, July 12, 2019 (document WO/PBC/30/15)
- [05] Report by the WIPO Independent Advisory Oversight Committee (IAOC), July 2, 2019 (document WO/PBC/30/2)
- [06] Targeted Timelines in the Investigation and Related Processes, June 18, 2019 (document WO/PBC/30/14)
- [07] Final Report of the WIPO Independent Advisory Oversight Committee (IAOC) Selection Panel, June 28, 2019 (document WO/PBC/30/3)

**ITEM 5: MEETING WITH THE DIRECTOR GENERAL**

No document:

**ITEM 6: INTERNAL OVERSIGHT**

*Internal Oversight Division:*

[08] IOD Activity Report – September 9, 2019 (Reference: IOD-IAOC-2019/03)

*Evaluation:*

[09] Evaluation Report: Evaluation of the Regional Bureau for Asia and the Pacific, December 12, 2018 (Reference: EVAL 2018-02)

*Investigation:*

**ITEM 7: FINANCIAL REPORTING: BRIEFING ON FINANCIAL PERSPECTIVE OF 2020/21 BIENNIUM**

[10] Proposed Program and Budget for the 2020/21 Biennium, June 17, 2019 (document WO/PBC/30/10)

**ITEM 8: BRIEFING ON CAPITAL MASTER PLAN**

[11] Capital Master Plan for 2020-29, July 1, 2019 (document WO/PBC/30/11)

**ITEM 9: EXTERNAL AUDIT: AUDIT PLANNING REPORT**

[12] Draft 2019 External Audit Planning Report, August 14, 2019

**ITEM 10: ETHICS: REVISED DRAFT OFFICE INSTRUCTION ON THE ETHICS OFFICE**

[13] Revised draft Office Instruction N° xx/2019 – July 29, 2019

**ITEM 11: OMBUDSMAN: ACTIVITY REPORT FOR 2019**

[14] Activity Report, January 1, 2018 to December 31, 2018 (August 19, 2019)

**ITEM 12: BRIEFING ON EXTERNAL OFFICES**

[15a] WIPO External Offices – Information Note for the IAOC, September 2019

[15b] Program 20 – External Relations, Partnerships and External Offices (II Program Narratives by Strategic Goal, Strategic Goal VIII, from the Program and Budget 2018/19)

**ITEM 13: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES**

No document: Oral account.

**ITEM 14: OTHER MATTERS**

[16] Report – Fifty-Third Session (WO/IAOC/53/2)

[17] Draft Agenda for IAOC 55<sup>th</sup> session (document WO/IAOC/55/1)

[18] IAOC Rolling Agenda, 52<sup>nd</sup> to 55<sup>th</sup> sessions

**Investment Reports:**

[19] Credit Suisse – Investment Monitoring Reports for May, June, July and August 2019

[20] MBS Capital Advice – Investment Performance Reports for May, June, July and August 2019

[End of Annex II and of document]