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SUMMARY PROGRAM PERFORMANCE REPORT FOR 2006-2007

Document prepared by the Secretariat

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SECTION I

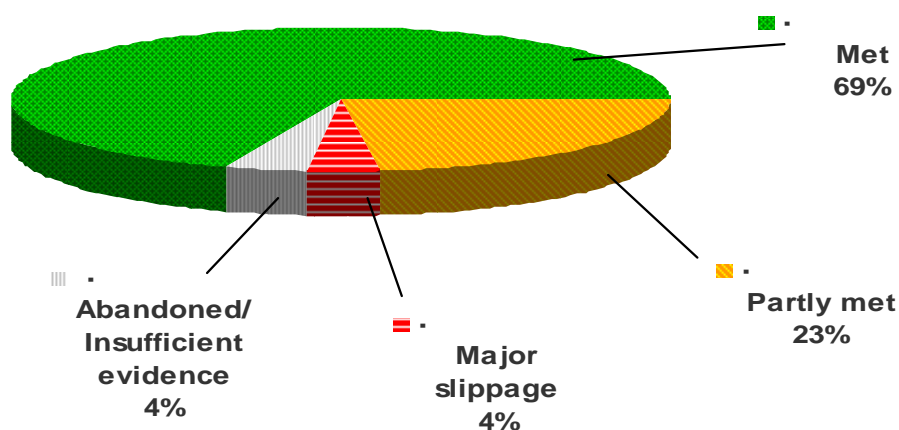
EXECUTIVE SUMMARY

1. The World Intellectual Property Organization (WIPO) appreciates this opportunity to share with all its Member States and other stakeholders information on progress and performance during 2006-2007. The Summary Program Performance Report for 2006-2007 is a key element of the Secretariat's policy to make WIPO a transparent, accountable and results-driven organization. In addition to this summary, detailed Individual Program Performance Reports for 2006-2007 have been prepared and can be found under document WO/PBC/13/3(b).

2. The report shows many successes and indicators of good performance; but it has also been used to identify challenges and areas where the Organization will do better in future periods.

3. By the end of 2007, WIPO managed fully to achieve 92 (69 per cent) of its 133 expected results. A further 31 (23 per cent) expected results were partially achieved. Five (four per cent) expected results experienced major slippage and were not achieved. Five out of 133 expected results were discontinued during the implementation period or there was not sufficient evidence available by the time of reporting.

Figure 1: Organization's Performance for 2006-2007 (achievement of expected results)



4. WIPO and its more than 1,200 employees are continuously contributing towards promoting the effective use and protection of IP worldwide. Expenditure during the 2006-2007 biennium was Sfr 532.6 million. These resources helped:

- achieve 14.7 % higher income growth than initial estimates (Swiss francs 609.3 million as compared with the initial income estimate of Swiss francs 531 million);
- increase by 19.3 % the number of PCT applications from 256,956 in 2004-2005 to 306,512 in 2006-2007;

- increase by 33.9 % the number of international registrations under the Madrid System (from 56,548 in 2004-2005 to 75,695 in 2006-2007) and by 120 % the number of renewals (from 14,841 in 2004-2005 to 32,683 in 2006-2007);
- forty countries to benefit from WIPO's legislative and legal advice in connection with the ongoing or planned revision of their IP legislation or establishment of new legislation. In this context, six countries modernized their industrial property legislation, and nine countries their copyright and related rights legislation;
- over 20 IP offices in all regions to implement new or revised administrative processes based on WIPO's advice;
- thirty IP offices across all regions to benefit from increased efficiency, backlog reductions, faster examination using modern search tools and databases and the simplification and automation of business processes;
- strengthen national IP human resources capacity through WIPO Advance Distance learning programs offered by the WIPO Worldwide Academy, which had 43,000 participants by the end of 2007;
- in the adoption of the Revised Singapore Treaty on the Law of Trademarks;
- increase to 64 the number of Contracting Parties to the WIPO Copyright Treaty (WCT) and to 62 the number of Contracting Parties to the WIPO Performances and Phonograms Treaty (WPPT);
- reduce the amount of the basic fee payable in connection with the international registration of a mark under the Madrid System for applicants originating from least-developed country members of the Madrid Union through an amendment to the Common Regulations under the Madrid Agreement and Protocol that came into force in 2006.

5. To help WIPO become more successful, program performance and impacts must be measured. During the 2006-2007 biennium the Organization placed even greater focus on accountability and transparency. To assist in this effort, WIPO strengthened internal control systems with the continued development of its Results-Based Management (RBM) System; the institution of a Program and Budget Task Force; enhanced the Program Performance Report and indicators of performance; revised the Internal Audit Charter; produced a first WIPO Evaluation Policy; and established the WIPO Audit Committee.

6. The report has also identified four areas where continued improvement is needed: strategic planning; program and project planning; improvement of linkages between planned resources and expected results, and monitoring and evaluation (see paragraphs 94 - 102).

SECTION II

INTRODUCTION

7. This summary report draws on existing self-assessment data produced by Program Managers in internal WIPO program performance reports. WIPO Program Managers take responsibility for the accuracy of data and its analysis presented in this report. The Internal Audit and Oversight Division (IAOD) has also reviewed the information set below. The Office of the Controller (OC) has provided financial and post-related information, while the Human Resources Management Department (HRMD) provided other human resources data.

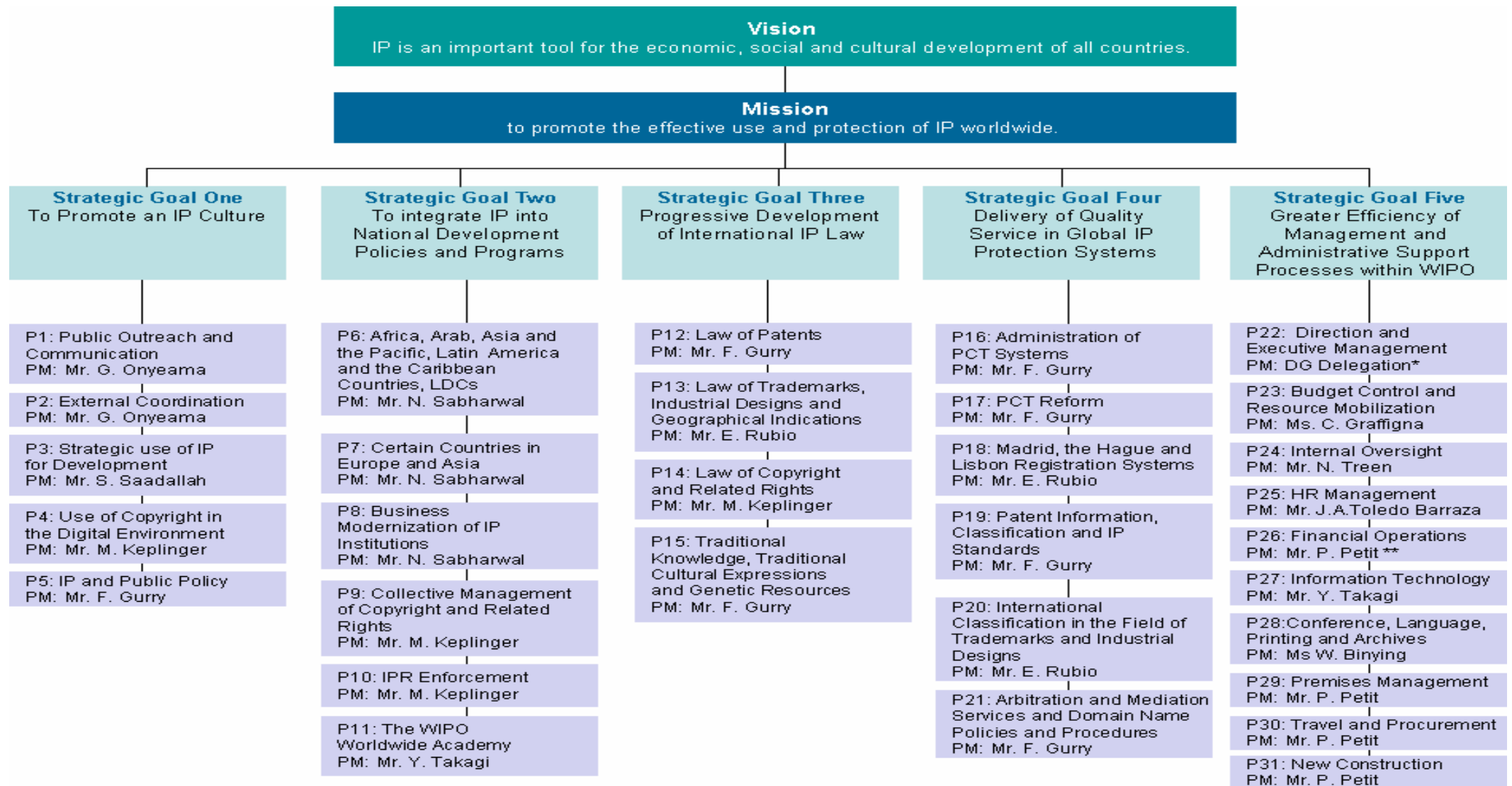
8. For reporting purposes for this biennial PPR, some changes have been made to the methodology and presentation of this report. Further details on the methodology and the process for the preparation of the PPR can be found under Annexes 1 and 2 of this report.

9. The biennial report is organized around the objectives of WIPO's Strategic Framework. More detailed reports for the various programs have been provided in the Individual Program Performance Reports 2006-2007 (document WO/PBC/13/3(b)).

10. WIPO Strategic Framework consists of 31 programs under its five strategic goals (see Figures 2 and 3). It is the responsibility of the Program Managers to achieve, and to report on their progress towards achieving, their program objectives and key performance indicators, which will in turn contribute to the relevant strategic goal. These reports, together with information from the Office of the Controller, have been used as a basis for the 2006-2007 PPR.

11. In addition to the above-mentioned points, IAOD has drawn certain conclusions and these can be found in Section III (see paragraphs 94 - 102).

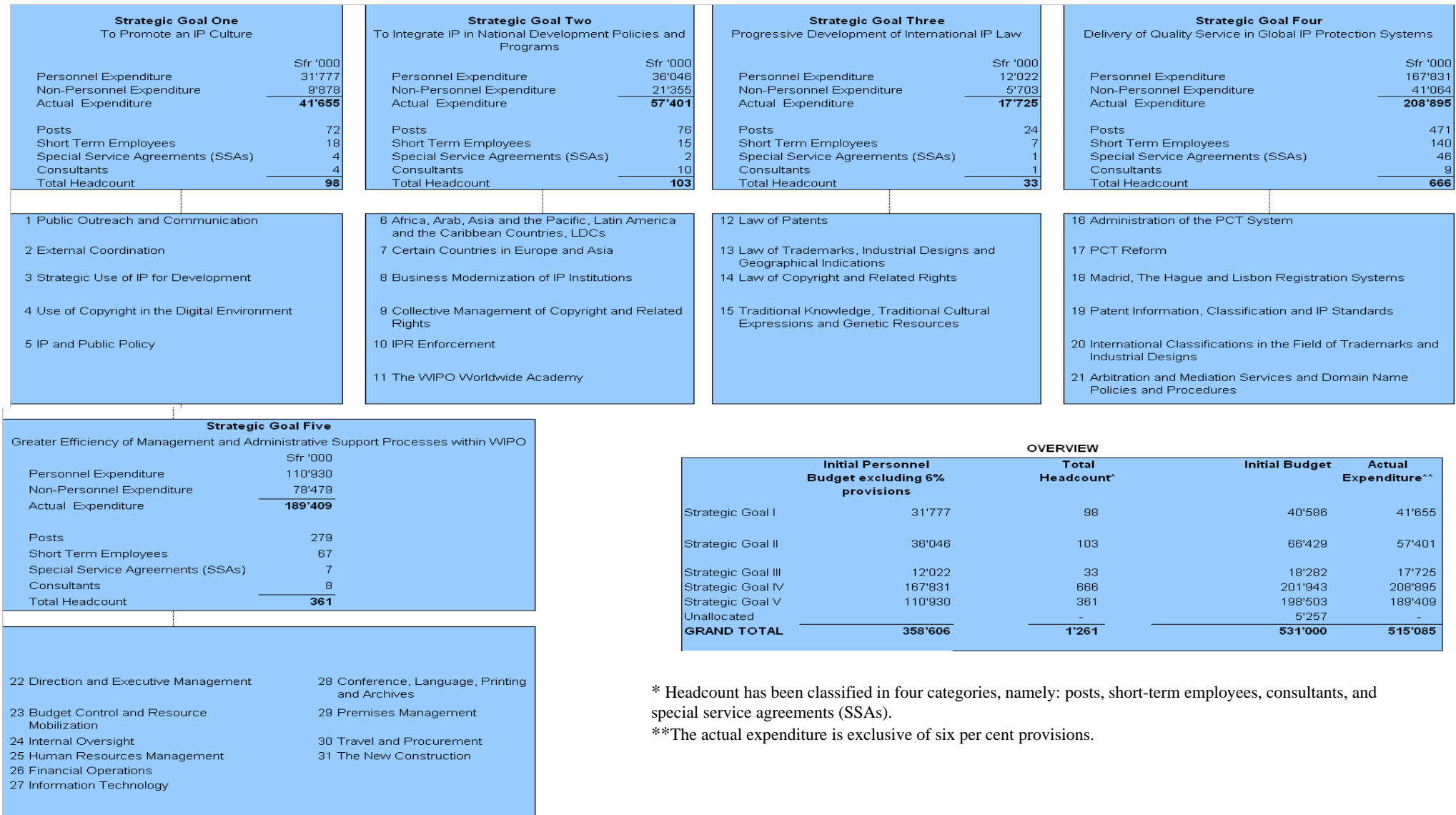
Figure 2: WIPO STRATEGIC FRAMEWORK FOR 2006-2007



* Program 22: The DG has delegated responsibilities to the Office of the Legal Council (OLC), Director General’s Cabinet and the Office of Strategic Planning and Policy Development (OSPPD).

**Program 26: Mr. P. Petit was in charge of Financial Operations until November 2007. Afterwards Mrs. C. Graffigna took charge of Program 26.

Figure 3: WIPO STRATEGIC FRAMEWORK INCLUDING APPROVED BUDGET FOR 2006-2007
(Initial Budget and Headcount by Program in thousands of Swiss francs)



* Headcount has been classified in four categories, namely: posts, short-term employees, consultants, and special service agreements (SSAs).

**The actual expenditure is exclusive of six per cent provisions.

SECTION III

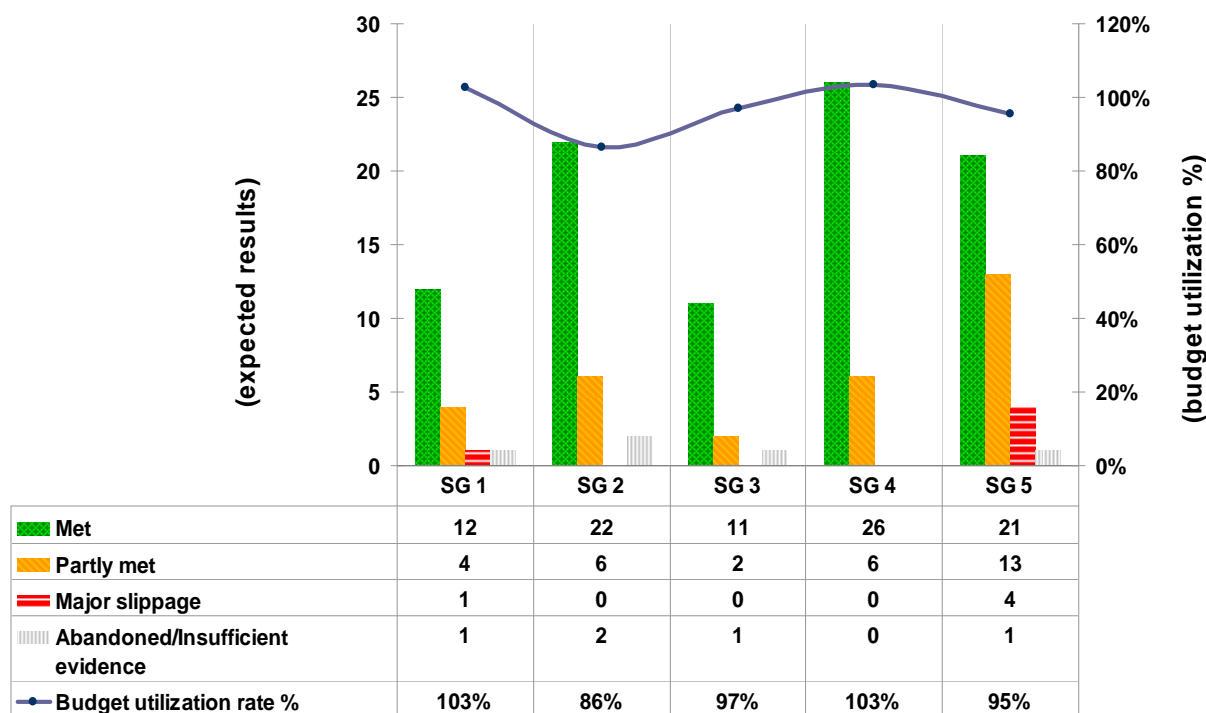
PROGRAM PERFORMANCE REVIEW

Combined overall results

12. For the 2006-2007 biennium, an initial budget of 531.0 million Swiss francs for personnel and non-personnel costs was approved for the implementation of WIPO's programs. This initial budget was based on the level of the 2004-2005 revised budget. In the absence of approval by Member States of the proposed revised budget for 2006-2007 (Document WO/PBC/12/2), the budget was adjusted to reflect the flexibility clause and internal transfers. According to the Financial Management Report (FMR) for 2006-2007 (document WO/PBC.13/2), the adjusted budget is the initial budget approved by Member States for the 2006-2007 biennium after transfers and the allocation of flexibility resources (posts), which totals 535.1 million Swiss francs.

13. By the end of 2007, the Organization reported an actual expenditure of 515.1 million Swiss francs. This excludes the 17.5 million Swiss francs to reflect a provision corresponding to: (a) six per cent of biennial personnel expenditure to reflect a provision to cover the long-term financial liabilities of the Organization for separation and after-service medical benefits (ASHI); and (b) the cost of the 38 additional posts, which were established by the end of 2007 (out of the 49 additional posts created and allocated in the biennium under the flexibility clause).

Figure 4: Budget utilization and expected results for 2006-2007



(strategic goals)

14. By the end of 2007, the Organization managed fully to achieve 92 (69 per cent) of the total 133 expected results, partially achieved a further 31 (23 per cent) of the total expected results. Five (four per cent) of the expected results experience major slippage due to activities that could not materialized as envisaged. Five out of 133 expected results were discontinued during the implementation period or there was not sufficient evidence available by the time of reporting. (See Figure 4).

15. Although program implementation has faced several internal and external challenges, which are outlined where possible in this report, it is possible to conclude that the Organization's overall performance is very positive, as demonstrated by the dominant percentage of green ratings in Figure 4.

16. The preparation of the Program Performance Report for 2006 and 2007 faced some limitations such as the lack of milestones and benchmark data in some cases, and in other cases indicators that did not fulfill the required criteria (SMART¹ criteria). For the 2008-2009 biennium, significant improvements on the quality of indicators have been achieved and these have been presented as part of the Proposed Program and Budget for 2008-2009.

Resource Utilization

Administrative efficiency gains for 2006-2007

17. For the second time during the biennium and as part of this report, efficiency gains have been identified by the Office of the Controller in a number of administrative areas. The indicators developed, as part of the Program and Budget Document for 2006-2007, were an initial attempt to provide Member States with evidence on efficiency gains. However, some weaknesses on the quality of indicators were identified. Therefore, corrective actions are currently taking place and improvements on efficiency gains indicators will be reflected in future reports.

18. Six indicators were presented in the Program and Budget Document for 2006-2007 and were specifically selected as the most representative to measure efficiency within the Organization. Figure 5 below updates the information for each indicator, the actual efficiency gains for 2006-2007 biennium, compared to the 2004-2005 baseline and the agreed targets for 2006-2007.

¹ SMART – Specific, Measurable, Achievable, Realistic and Time-bound.

Figure 5: Efficiency gains registered during 2006-2007

Area	Baseline / Benchmark 2004-2005	Efficiency / Benchmark Target 2006-2007	Actual Figures/ Ratios 2006-2007	Planned Efficiency Gain over 2006-2007	Actual Efficiency Gain in 2006-2007	T L S	Main Means of Achieving Target
1. Ratio of PCT staff to number of PCT applications	1:498 (489/243 500) (2004-2005)	1:523 (493/258 000)	1:748 (409/305 896) (2006-2007)	5 per cent	50 per cent		Re-engineering of PCT business processes and returns on PCT investments in IT
2. Cost of translation (average cost per page)	246 Swiss francs (2004)	221 Swiss francs per page	227 Swiss francs per page	10 per cent	7.7 per cent		Review of internal processes and lower costs through new tenders
3. Cost of air travel: Average ticket costs based on the 12 most frequent destinations (two per region)	2 535 Swiss francs (2004)	1 900 Swiss francs	3 182 Swiss francs	25 per cent	Indicator is no longer applicable. See further explanation on paragraph 21		Negotiated air fares and centralized purchase; increased use of low cost carriers
4. Average cost of telephone calls per call	0.28 Swiss francs (2004)	0.23 Swiss francs	0.27 Swiss francs	18 per cent	3.6 per cent		Lower cost through new tenders
5. Mail Services: Number of items	1.1 million (2004)	1.0 million	1.8 million (2007)	9 per cent	n/a		Electronic distribution and internet publishing
6. Average weight per item	186 gram	170 grams	74 grams (2007)	9 per cent	60.2 per cent		Replacement of paper with other media

19. The efficiency gain targets were achieved or exceeded expectations during 2006-2007 in the following areas:

- *The ratio of PCT staff to number of PCT applications* has increased its efficiency by 50 per cent compared to 2004-2005. By the end of 2007, on average one person was processing a total number of 748 applications compared to one-person processing 498 applications in 2004-2005. This has been accomplished due to restructuring, staff changes and streamlining of working procedures within the PCT sector.
- Efficiency gains of more than 60 per cent, compared with 2004-2005, on the *average weight-per-item* were registered in 2007. The average weight per item registered went down from 186 grams in 2004-2005 to 74 grams in 2006-2007. The target was achieved through a replacement of paper mailings by electronic means; in particular, the PCT Gazette's distribution on DVD, which started in 2005, and which reduced the total weight of mailings by more than 25 per cent. However, the cost could not be reduced as expected since there has been a sizable increase in the volume of mailings, particularly by PCT and Trademarks (by 50 per cent), combined with a noticeable shift of the shipment method from regular mail to more costly registered mail and express mail.

20. Efficiency gain targets were partially achieved in the following areas:

- A 7.7 per cent efficiency gain on the cost of translation was achieved by the end of 2007. Efficiencies have been achieved essentially by adapting and streamlining internal process. It can be noted that the planned target of 10 per cent efficiency gains could not be achieved since a call for tender for translation services was launched, but did not give satisfactory results.
- An efficiency gain of 3.6 per cent on the average telephone costs against a target of 18 per cent was achieved. The target was only partially achieved due to the increase in the number of international calls.

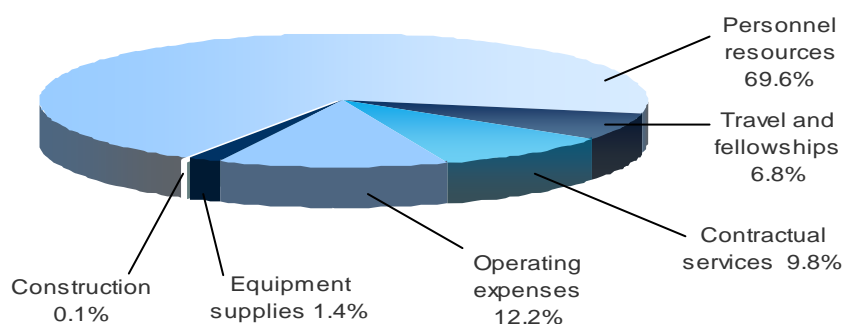
21. Efficiency gains did not materialize in two out of six targets due to the following:

- The External Auditor recommended that the indicator relating to efficiency gains for the *cost of air travel (average ticket cost based on the 12 most frequent destinations)* was not appropriate. WIPO have accepted the recommendation and a new indicator has been developed and will be included in future Program and Budget Documents and Program Performance Reports.
- It was not possible to achieve the efficiency gain target of 9 per cent cost reduction on the *Mail Services* by increasing the use of Electronic distribution and internet publishing. This was due to a sizable increase in the volume of mailings, particularly by PCT and Trademarks. This indicator is currently being reviewed and a better efficiency indicator will be developed.

Expenditure by object of expenditure

22. Figure 6 below presents an overview of actual expenditure (515.0 million Swiss francs), excluding the six per cent provisions, by object of expenditure. Of this total actual expenditure, 358.6 million Swiss francs (about 70 per cent) were on personnel costs and 156.5 million Swiss francs (some 30 per cent) on non-personnel costs

Figure 6: Expenditure by object of expenditure for 2006-2007



23. As reported in the Financial Management Report (FMR) for 2006-2007 (document WO/PBC.13/2), non-personnel expenditure for the 2006-2007 biennium totaled 156.5 million Swiss francs (2004-2005 biennium: 142.8 million Swiss francs). This represents an increase of 9.5 per cent over the previous biennium and is 15.4 million Swiss francs below the

estimated amount in the initial budget. Expenditures under this category included: the costs for travel and fellowships; contractual services; operating expenditures, equipment supplies and construction. Some of the key issues during 2006-2007 are highlighted below:

- Travel and fellowship expenditure exceeded by 16.6 per cent the initial estimated budget of 29.9 million Swiss francs. This increase over the previous biennium indicates WIPO's increased activities and involvement in the organization of and attendance at various conferences, seminars and other events.
- Contractual services' expenditure exceeded by only 0.1 per cent the initial budget of 50.6 million Swiss francs. Under this category, the only area that reported an increase in the expenditure was "Other" expenditures. This was primarily due to the increase in outsourced translations from 5.2 million Swiss francs in the 2004-2005 biennium, to 26.3 million Swiss francs in the 2006-2007 biennium, offset by a decrease in other contractual services.
- Operating expenditures were 12.4 per cent lower than initially envisaged. The initial budget allocated was 72.1 million Swiss francs. This was due to the reduction in the number of rented premises; termination of leases for parking spaces and the storage warehouse at Giuseppe-Motta; and the handing-over of the Chambesey premises 10 months before the contractual deadline of December 31, 2006.
- Equipment and supplies expenditure totaled 7.2 million Swiss francs, i.e. 62.9 per cent of the initial budget of 19.4 million Swiss francs was not used.

24. Figure 7 presents an overview of resource allocation during the biennium as well as the results achieved.

Figure 7: Overview of resource allocation and expected results for 2006-2007

Resources Allocation	Strategic Goal One	Strategic Goal Two	Strategic Goal Three	Strategic Goal Four	Strategic Goal Five	Total resources
RESOURCES ALLOCATION BY STRATEGIC GOAL (in thousands of Swiss Francs)						
Initial budget	40 586	66 429	18 282	201 943	198 503	531 000
Adjusted budget after transfer and flexibility resources	43 183	61 502	18 854	214 721	196 728	535 144
Actual expenditure (excluding 6 per cent allocation to provisions)	41 655	57 401	17 725	208 895	189 409	515 085
Actual expenditure including 6 per cent allocation to provisions	43 020	59 322	18 397	216 958	194 917	532 614
Utilization rate – actual expenditure including 6 per cent vs. initial budget	106.0%	89.3%	100.6%	107.4%	98.2%	100.3%
Ratio of actual expenditure by strategic goal in relation to overall actual expenditure including 6 per cent for provisions	8.1%	11.1%	3.5%	40.7%	36.6%	100%

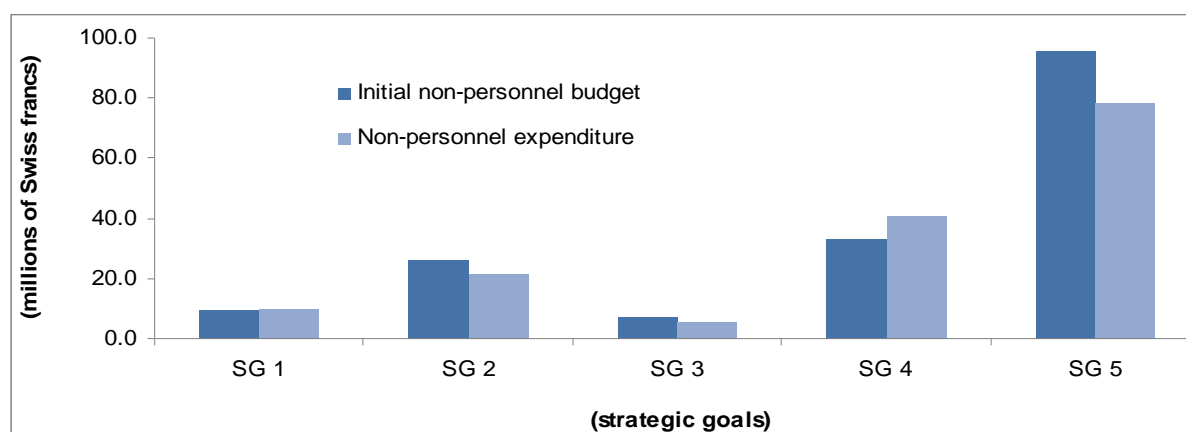
Resources Allocation	Strategic Goal One	Strategic Goal Two	Strategic Goal Three	Strategic Goal Four	Strategic Goal Five	Total resources
TOTAL PERSONNEL RESOURCES BY STRATEGIC GOAL (in thousands of Swiss Francs)						
Personnel expenditure (excl. 6per cent provisions)	31 777	36 046	12 022	167 831	110 930	358 606
Total Headcount	98	103	33	666	361	1,261
Ratio of headcount	7.8%	8.2%	2.6%	52.8%	28.6%	100%

OVERALL PERFORMANCE RESULTS						TOTAL
■ Met	12	22	11	26	21	92
■ Partly met	4	6	2	6	13	31
■ Major slippage	1	0	0	0	4	5
■ Abandoned/ Insufficient evidence	1	2	1	0	1	5

Resource utilization - Non-personnel resources

25. Figure 8 shows the budget utilization for non-personnel cost by strategic goal during the 2006-2007 biennium. About 50 per cent of non-personnel expenditure were consumed by Strategic Goal Five and 26 per cent by Strategic Goal Four. The remaining 24 per cent were distributed among Strategic Goals One, Two and Three.

Figure 8: Initial non-personnel budget and non-personnel expenditure for 2006-2007



Resource utilization – Personnel resources

26. WIPO continued to respond to operational needs through the use of four main categories of human resources which together form the “personnel” budget line:

- (i) employees holding posts under the regular budget (in the General Service (GS), Professional (P) and higher categories, plus Director General (DG), Deputy Director General (DDG) and Assistant Directors General (ADG) levels);

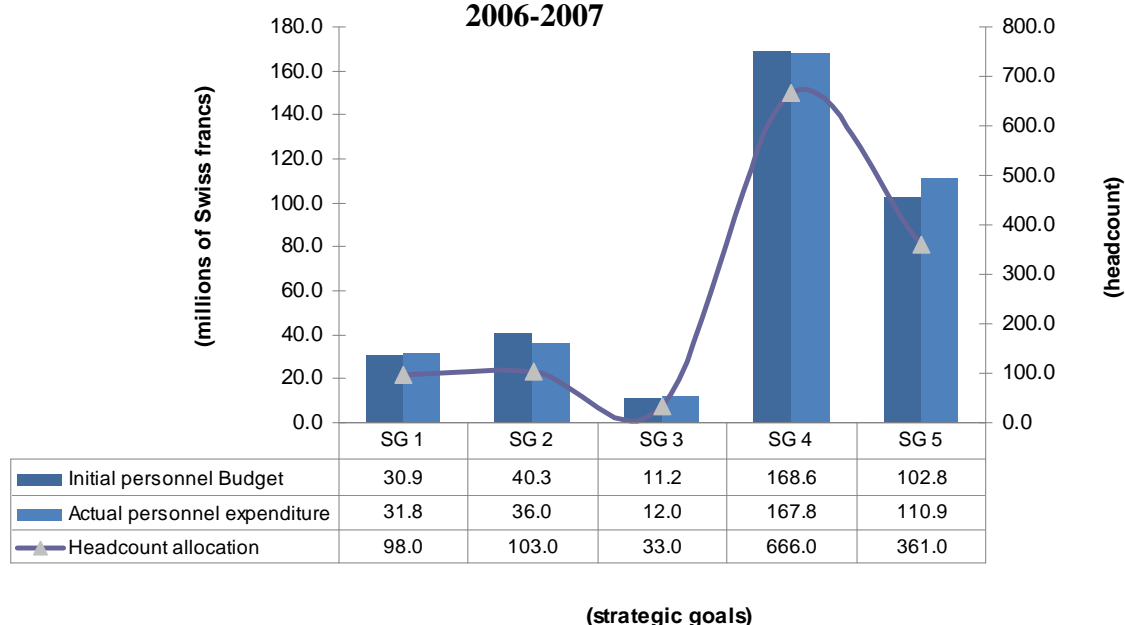
- (ii) headquarters consultants;
- (iii) employees holding short-term contracts; and,
- (iv) holders of Special Service Agreements (SSAs).

27. In an effort to increase transparency, the Secretariat has now proposed budget lines and allocated expenditure for each of these four categories of personnel, subdivided by program. A list including the various definitions for personnel resources can be found in Annex 3. By the end of 2007, WIPO employed or contracted 1,261 people. This represents an increase of 7.6 per cent over the previous biennium (2004-2005 biennium: 1,172 headcount). The total headcounts were classified as follows:

- 922 employees holding posts;
- 247 short term contracts;
- 60 positions correspond to special service agreements; and
- 32 consultants.

28. The initial budget allocated for personnel cost for the 2006-2007 biennium was 353.9 million Swiss francs. During the 2006-2007 biennium, 358.6 million Swiss francs (excluding 17.5 million Swiss francs on provisions) were utilized to cover personnel expenditures (2004-2005 biennium: 351.5 million Swiss francs). As shown in Figure 9, with exception of Strategic Goal Five, personnel costs by strategic goal during the 2006-2007 biennium did not experience major changes.

Figure 9: Initial personnel budget, personnel expenditure and headcount 2006-2007



29. By the end of 2007, 295.7 million Swiss francs from the personnel expenditure was used to finance 922 employees holding posts (72 per cent of total headcount), as shown in Figures 10 and 11 respectively. The cost for employees holding posts exceeded by 1.2 per cent the initial budget of 292.1 million Swiss francs. The increased budget was required to finance a total of 38 new posts, which were established by the end of December 2007 (out of 49 created and allocated under the flexibility clause for the biennium). The posts covered the services of examiners (in Chinese, Korean and Japanese) and one translator under the PCT and Madrid Systems. Based on the efficiency gains information, the number of PCT applications grew by 1.3 per cent above the 2005 level and the new staff assisted in managing the increased workload during the biennium.

**Figure 10: Headcount distribution
(Total headcount 1,261)
2006-2007**

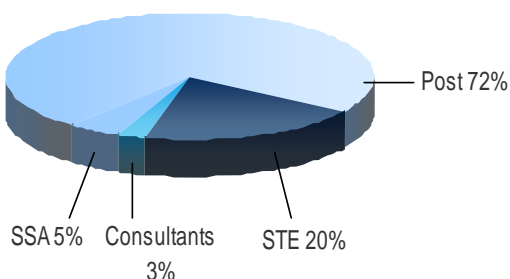
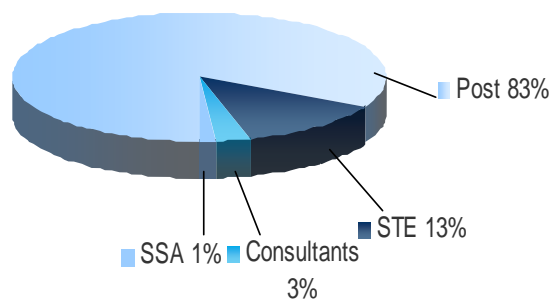


Figure 11: Personnel expenditure 358.6 million Swiss francs excl. six per cent 2006-2007



WIPO STRATEGIC GOALS: Achievements and Challenges

30. This section is based on the information provided by Program Managers on the expected results at the program level, for the purposes of this summary report these have been aggregated at the level of strategic goal. The extent to which results and key performance indicators have been achieved under each goal by program have been outlined in more detail in Individual Program Performance Reports 2006-2007 (document WO/PBC/13/3(b)). Details of actual expenditure and human resource utilization by goal have also been consolidated and summarized at the level of strategic goal. Where possible, an explanation has been provided of some of the key challenges faced in achieving expected results.

STRATEGIC GOAL ONE: To Promote an IP Culture

31. Strategic Goal One is defined as encouraging creators and innovators to obtain, use and license IP rights and assets, in addition to seeing greater respect by the public for IP rights and assets. This includes making resources and expertise available to assist Member States build the foundation for a more solid and extensive IP culture through cooperation with governments, intergovernmental organizations and partners in the private sector and other interested communities.

32. This strategic goal consists of five programs, namely: Program 1 - Public Outreach and Communication; Program 2 - External Coordination; Program 3 - Strategic Use of IP for

Development; Program 4 - Use of Copyright in the Digital Environment; and Program 5 - IP and Public Policy.

Total Inputs and Total Expected Results

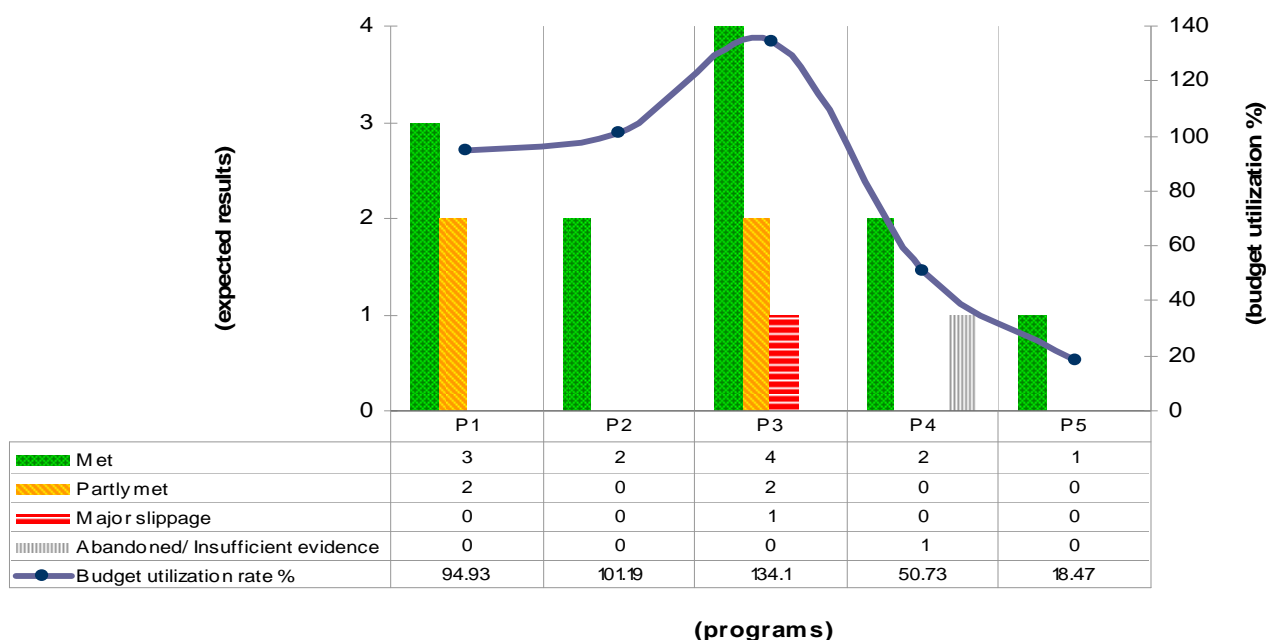
33. An initial budget of 40.5 million Swiss francs (eight per cent) of WIPO's overall initial budget was allocated towards achieving strategic goal one. After budget adjustments during the biennium, the budget was increased by three per cent of the initial budget for this strategic goal. By the end of 2007, an actual expenditure of 41.6 million Swiss francs was registered.

34. The resources utilized for Program 1 and Program 2 reflected the Secretariat's proposal to launch a more proactive communication policy on all aspects of IP, with particular attention given to civil society groups.

35. Figure 12 shows performance against the expected results for the biennium. The performance of the programs have been measured based on 18 expected results and 34 indicators. By the end of 2007, 12 of the total expected results had been achieved, four were partially achieved, one experienced major slippages and for another one, no progress was reported. Since Program 3 was only established during the biennium, it was clear that the Program was still engaged in a learning process and that better planning of resources and achievement of results should follow in 2008-2009.

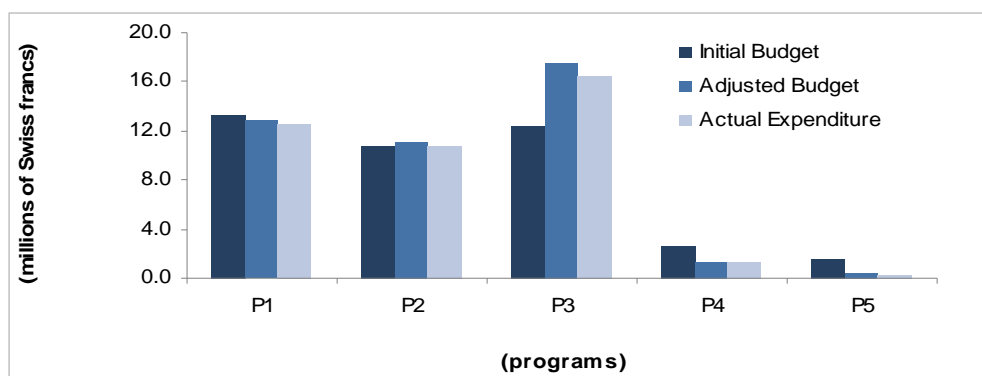
36. Figure 12 also shows the budget utilization rate for all programs. Budget utilization by program has been calculated by comparing initial budget with actual expenditure. During 2006-2007, some budgets had to be adjusted in order to enhance the coherence of programs and increase the efficiency and effectiveness of the allocated resources. This has been the case for Programs 3, 4 and 5.

Figure 12: Budget utilization and expected results for 2006-2007



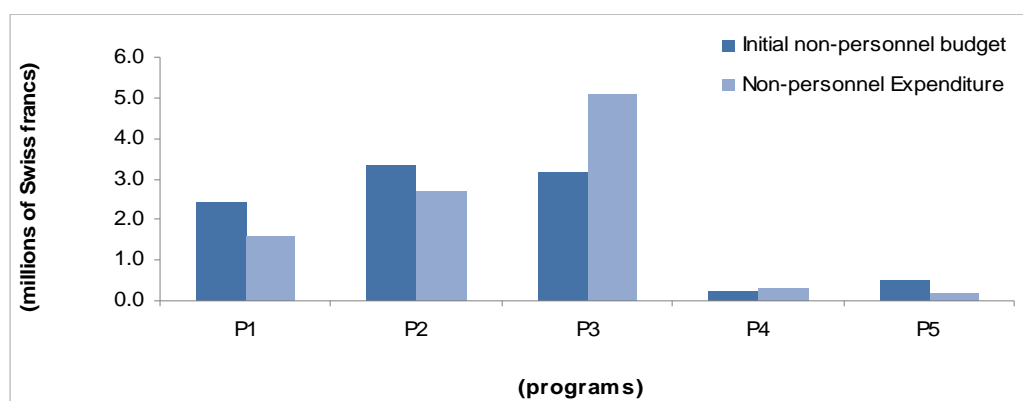
37. Figure 13 shows the budget allocation, adjustments and expenditure by program during the biennium. Budget adjustments, which resulted in reductions of the initial budget, were registered under Programs 1, 4 and 5. The budget for Program 3 was increased, as result of the adjustment process, by 41.6 per cent (from 12.3 to 17.4 million Swiss francs) during the biennium.

Figure 13: Budget allocation by program for 2006-2007



38. Figure 14 illustrates the initial budget for non-personnel expenditure and compares it with actual expenditure for the biennium. By the end of 2007, an expenditure of 9.8 million Swiss francs for non-personnel cost was reported, exceeding by 2.4 per cent the initial allocated budget. However, not all programs utilized their budgets as planned. For example: Programs 1 and 2 did not utilize the total initial budget for non-personnel costs due to delays in the implementation of some activities or savings to the program budget by using resources from Funds-in-Trust as part of a cooperative effort with the WIPO regional bureaus. The initial budget allocated to Program 3 was not sufficient and had to be increased to enable the Program to undertake activities as required by the WIPO Development Agenda. Some specific examples of this are contained in the Individual Program Performance Reports 2006-2007 (document WO/PBC/13/3(b)).

Figure 14: Initial non-personnel budget and non-personnel expenditure for 2006-2007

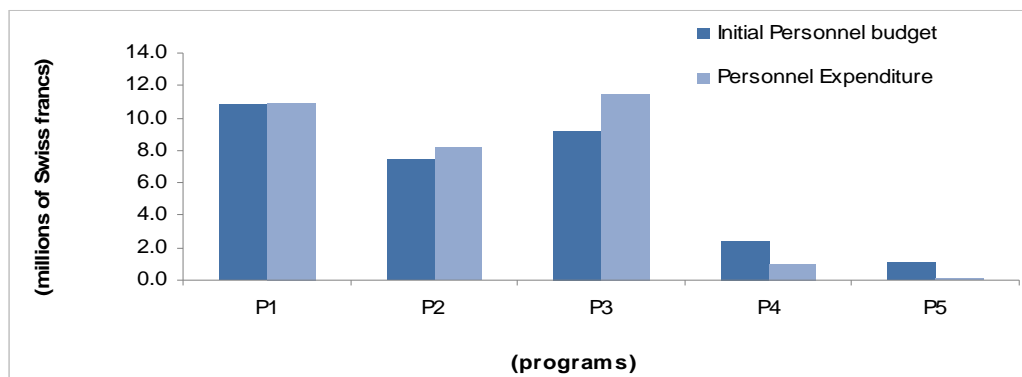


39. By the end of 2007, about 7.7 per cent (98 staff members) of the total WIPO headcount were working towards the achievement of strategic goal one and a total budget of 31.7 million Swiss francs (nine per cent) of the Organization's personnel expenditure (see Annex 7) was utilized during the biennium. This expenditure exceeded by 2.7 per cent the initial

personnel budget. This was partly due to the high demand from member States for technical assistance under from Program 3 (see figure 15).

40. As shown in Figure 15, Program 4 and Program 5 did not utilize the total initial budget assigned to the Programs. The resources, for both personnel and non-personnel costs, originally allocated to Program 5, were mostly transferred to other programs which assumed responsibility for relations with NGOs and for certain policy questions other than life sciences..

Figure 15: Initial personnel budget and personnel expenditure for 2006-2007



Challenges and expected results

41. During 2006-2007, Program Managers reported that the implementation of Strategic Goal One was faced with several challenges including:

- Ensuring that services of the IP Knowledge Center/Library had a clear comparative advantage and was tailor-made to respond to diversified and complex inquiries;
- Ensuring an updated and easily accessible collection of IP legislation from all over the world for the Electronic Collection of IP Laws (CLEA) database;
- Promoting IP issues as they arise in other international bodies;
- Identifying new ways to interact with a broader range of interlocutors, to ensure that WIPO was kept abreast of developments in policy debates, that there was feedback from groups having an impact on or interest in WIPO's operations, and that WIPO was able to make a relevant contribution to those processes;
- Developing and enhancing IP asset management in research and development;
- Increasing use of the IP system by enterprises in developing countries;
- Promoting funding for research and development and IP asset management;
- Assessing and improving professional capacity for IP asset management including licensing and patent professional training;
- Testing and implementing proactive private and public policies;

- Coping with the growing demand from Member States for greater exposure, discussion and analysis of issues related to copyright content in digital form and digital devices as well as issues related to digital rights management (DRM) and its implications for the copyright system at international level;
- Providing objective and reliable information concerning the actual functioning of IP systems, and the range of options available, so that policymakers have a richer basis from which to address current policy issues.

42. In spite of the above-mentioned challenges, several results were achieved during the biennium. Detailed reporting on the achievements can be found under each individual program. Box 1 below provides some examples of achievements:

Box 1: Key achievements which have contributed to promoting an IP culture in 2006-2007

- IP publications have been integrated into educational programs, for example in Mexico and Spain;
- Forty five per cent increase in world press articles reporting on WIPO's activities;
- Twenty five per cent increase in media contacts that regularly report on IP;
- About 31,000 page views of the WIPO Copyright Website consulted/downloaded per month;
- Seminars on copyright and digital technologies were held in more than 20 countries at the request of Member States and other stakeholder groups;
- The demand for WIPO's promotional material and publications has increased;
- Revenue from publications has increased to 2.7 million Swiss francs (2006-2007).

43. There are results that were only partially achieved and in some cases implementation experienced major slippage as shown below:

- A survey to measure the quantity and quality of IP information services rendered by SME support institutions was not undertaken during the biennium;
- It has not been possible to report on policy decisions in Member States reflecting WIPO research findings and more work needs to be done in order to have greater evidence of the relationship between the protection of IP and economic development;
- The pilot WIPO IP Strategies Database is already on the Intranet and will be available to Member States only in 2008-2009;

- Better outreach internally at WIPO and to the IP community at large through Intranet/Internet usage statistics of the Open Access Catalogue;
- According to the individual reports, no new holdings were added to the library collection focusing on IP and related global issues, and the expected shelf-reading statistics were not compiled due to the work carried out on the library catalogue.

STRATEGIC GOAL TWO: To Integrate IP into National Development Policies and Programs

44. Strategic Goal Two is defined as promoting IP policies and their integration into national development strategies and plans, custom-made for specific country requirements, conditions and available resources.

45. This goal consists of six programs, namely: Program 6 - Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries LDCs; Program 7 - Certain Countries in Europe and Asia; Program 8 - Business Modernization of IP Institutions; Program 9 - Collective Management of Copyright and Related Rights; Program 10 - IPR Enforcement; and Program 11 - The WIPO Worldwide Academy.

46. During the 2006-2007 biennium, WIPO's assistance was increasingly directed towards the integration of IP into national development strategies and programs, thus placing development concerns at the heart of WIPO's assistance, in accordance with the UN Millennium Development Goals. Many countries integrated IP considerations into their national plans and programs, or started working on the formulation of those considerations for incorporation in their strategic IP plans. A reorientation of WIPO's approach to these activities was initiated during this period, aimed at ensuring that technical assistance was designed in cooperation with the countries concerned in order to be tailor-made and focused on their specific needs and priorities.

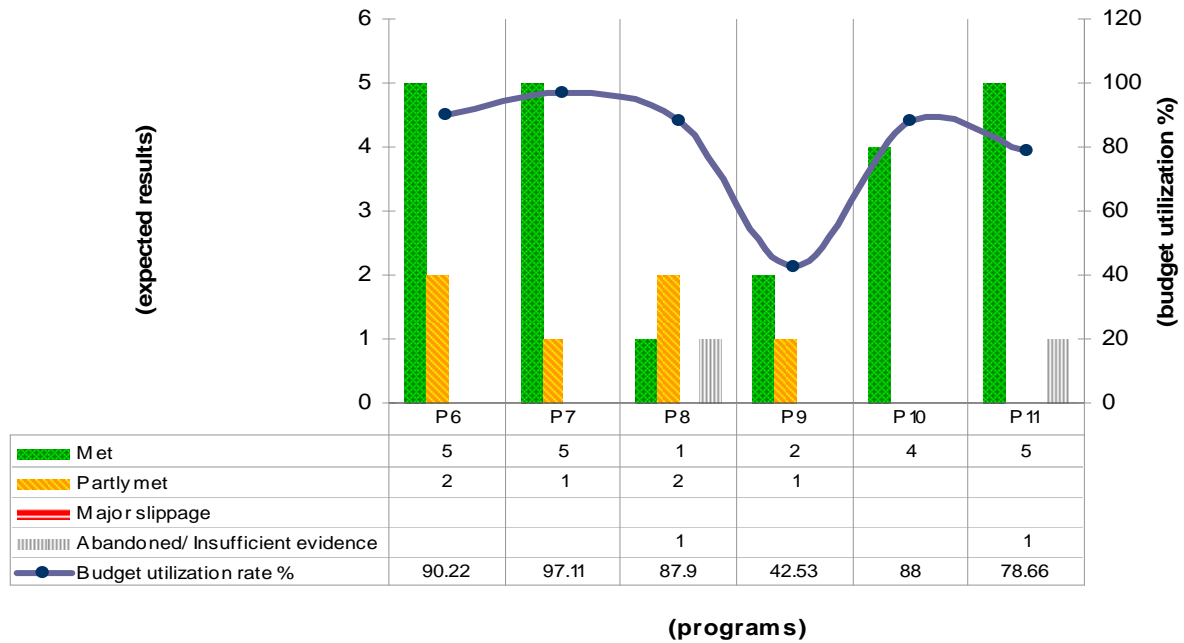
Total inputs and total expected results

47. A total initial budget of 66.4 million Swiss francs (12.5 per cent) of WIPO's overall initial budget was allocated to achieving Strategic Goal Two. By the end of 2007, about 86.4 per cent of the initial budget were consumed.

48. Figure 16 shows the performance of the programs under . This has been measured based on 30 expected results and 42 indicators at the Program level. This shows that 22 expected results were fully achieved out of a total of 30. Some minor slippage was reported for six of the expected results for the biennium, while for two expected results no progress has been reported.

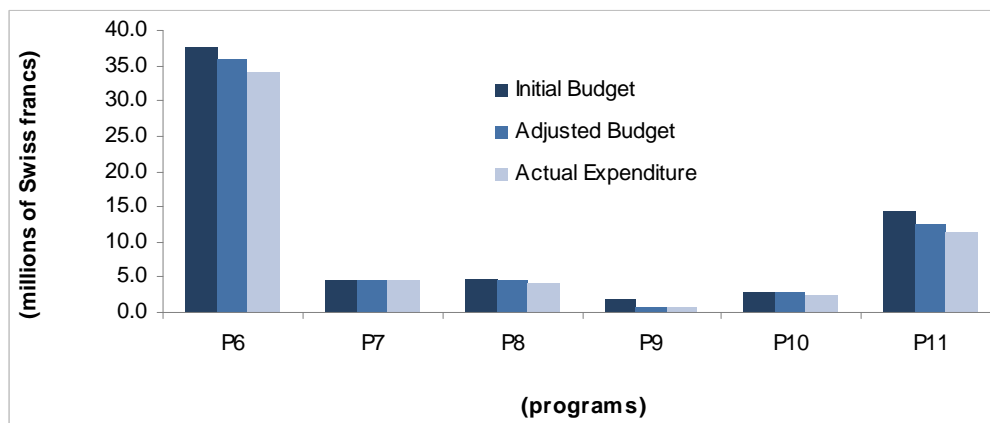
49. As figure 16 also shows, Program 7 managed to achieve 83 per cent (5 out of 6) of the expected results and its actual expenditure was 4.3 million Swiss francs (about 97 per cent) of the initial budget. Program 9 shows a low utilization rate of its budget, this was because part of its budget was adjusted during the implementation period.

Figure 16: Budget utilization and expected results for 2006-2007



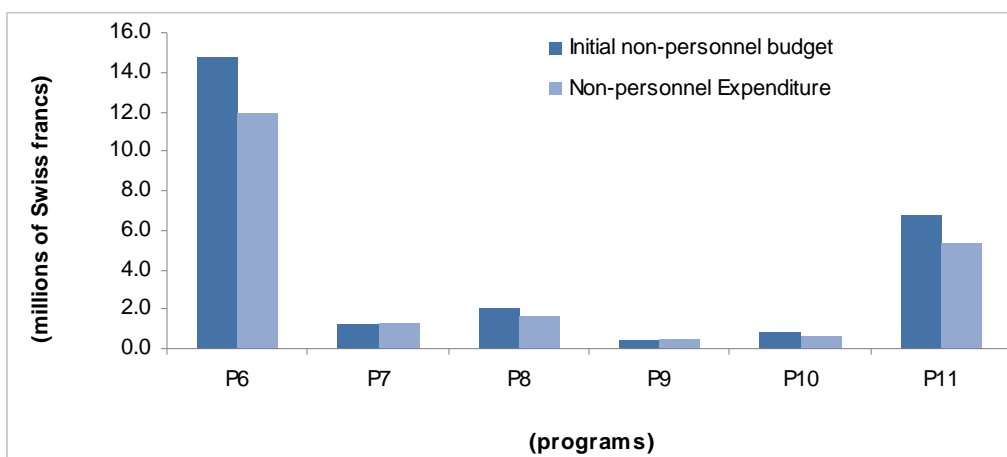
50. Figure 17 shows minor budget adjustments, which resulted in a reduction of the initially allocated budget, for almost all programs under Strategic Goal Two. In addition, figure 17 shows that actual expenditure was less than the adjusted budget (i.e. under-expenditure). This was mainly due in some cases, to posts being filled well into 2006 or transfers to other programs and in other cases, because activities could not be undertaken as initially planned.

Figure 17: Budget allocation by program for 2006-2007



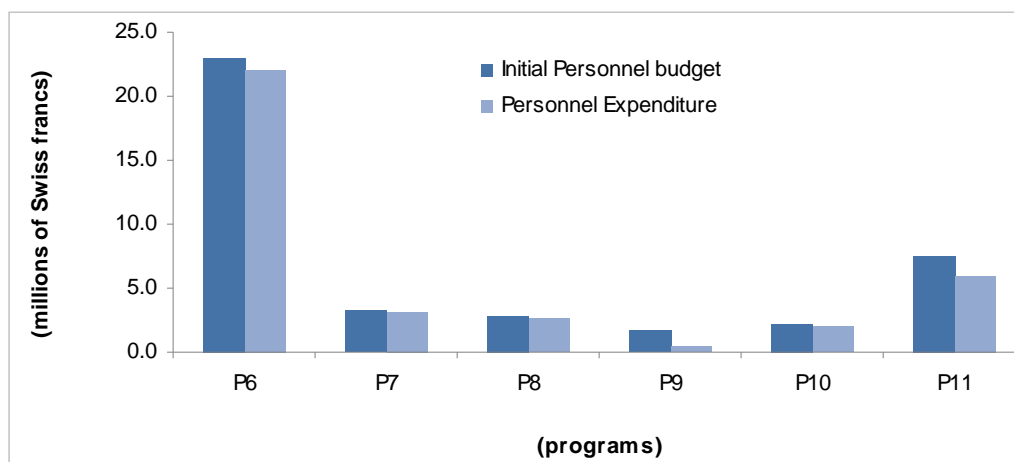
51. Figure 18 shows the level of budget utilization for non-personnel cost by program. Under-expenditure under this strategic goal was, in most cases, due to it not being possible to undertake some of the planned activities.

Figure 18: Initial non-personnel budget and non-personnel expenditure for 2006-2007



52. Under this strategic goal, from the initial personnel budget of 40.3 million Swiss francs, 36.0 million Swiss francs (89.3 per cent) were utilized to finance 103 members of staff (eight per cent of the total of headcount) during the biennium. Figure 19 shows this at the program level. Post transfers accompanied by budget adjustment reductions for personnel expenditure were identified under Programs 6, 7, 9, 10 and 11. (See Annex 7).

Figure 19: Initial personnel budget and personnel expenditure for 2006-2007



Challenges and expected results

53. During 2006-2007, Program Managers reported that the implementation of Strategic Goal Two was faced with several challenges including:

- Addressing public policy issues in program activities, and raising awareness of the flexibilities in international IP treaties;
- Reinforcement of WIPO's cooperation with governments, academic institutions and the private sector in order to reinforce IP national systems in countries in transition to a market economy;

- Remaining attuned to the changing circumstances and responding effectively to Member States' requests for assistance;
- Adapting WIPO Academy programs in response to the diversified needs of various categories of users, such as IP professionals, trainers of IP, policy advisors and decision makers, academics, creators, and innovators, as well as other potential IP users and beneficiaries;
- Implementing well-established and regular programs, but with enhanced cost-effectiveness, and a more timely response to the Member States' diversified needs, as well as providing a greater variety of customized programs and effective provision and dissemination of IP educational material.

54. Assistance from WIPO has helped countries to overcome some shortfalls. Some countries have modernized their legislation, administrative processes or have enhanced efficiency through improved business processes. Staff have been trained to carry out the full range of trademark registration processes. Certain concrete results contributing to the achievement of Strategic Goal Two can be found in Box 2 below:

Box 2: Key achievements for the integration of IP into national development policies and programs in 2006-2007

- IP audits have been undertaken in more than 20 countries. Some countries have started, or are in the process of developing, national IP strategies and IP development plans;
- six countries modernized their legislation relating to industrial property, and nine countries modernized legislation relating to copyright and related rights.
- 40 countries have benefited from WIPO's legislative and legal advice in connection with the ongoing or planned revision of their IP legislation or establishment of new legislation;
- Over 30 IP offices in all regions are implementing new or revised administrative processes based on WIPO's advice;
- Efficiency in business processes, especially in relation to the backlog of IP registration activities, has been enhanced in 30 IP offices through the simplification and automation of such processes by using, inter alia, the IPAS software developed by WIPO;
- Collective management organizations were established in six countries of Latin America. Other societies were created in other regions. Furthermore the use of the AFRICOS software for the administration of collective management organizations was enhanced;
- National IP human resources capacity has been strengthened through WIPO Advanced Distance Learning programs offered by the WIPO Worldwide Academy, which had 43,000 participants by the end of 2007.

55. The following have been identified under the partially achieved results for areas with major delays:

- More work needs to be done and evidence needs to be provided of the increase in domestic patent/trademark/industrial design applications and overall percentage of applications by local creators, enterprises and R&D institutions in developing countries and LDCs
- Program 7 target of enhancing the efficiency of national IP administrations by improving public service capacity of up to 10 national IP administrations was only partially achieved during the biennium;
- Program 8 (Business Modernization of IP Institutions) was able to enhance the efficiency of business processing through increased use of IT in 30 out of 34 IP offices (88 per cent) of its expected results due to the challenges faced by the IP offices themselves in deriving maximum benefit from WIPO's assistance;
- The general trend of IP institutions is to host their websites on their own. Therefore, it is no longer relevant to continue referring to implementation of WIPONET, in view of its changing context and taking into account countries' proactive approach;
- Of the 10 originally envisaged national and regional databases/information systems, eight databases have been upgraded, making the management of rights more effective.

STRATEGIC GOAL THREE: Progressive Development of International IP Law

56. Strategic Goal Three is defined as further developing international IP laws responsive to emerging needs and balancing the interests of IPR owners and public policy objectives. In a changing environment, where IP law is under increasing public scrutiny, WIPO has four programs operating under this goal.

57. This strategic goal consists of four programs, namely: Program 12 - Law of patents; Program 13 - Law of Trademarks, Industrial Designs and Geographical Indications; Program 14 - Law of Copyright and Related Rights; and Program 15 - Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources.

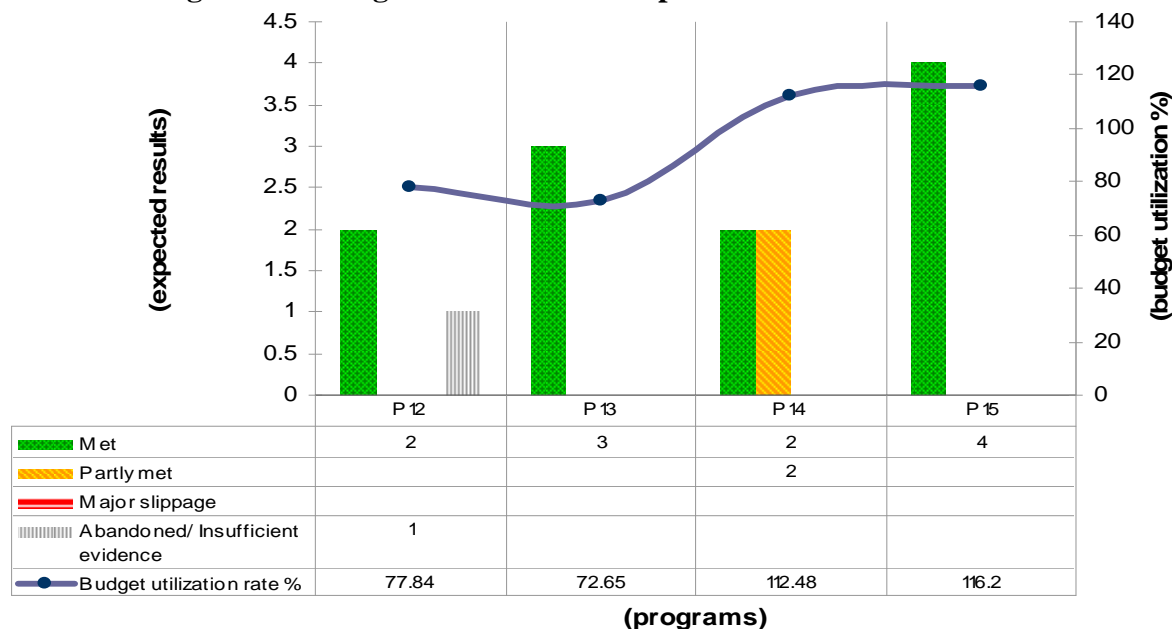
Total inputs and total expected results

58. Approximately 97 per cent (17.7 million Swiss francs) of the total initial budget of 18.2 million Swiss francs allocated to this strategic goal was utilized in order to achieve the desired results. Figure 20 shows the budget utilization of the programs combined with the achievement of the expected results.

59. The performance of the programs have been measured based on 14 expected results and 21 indicators. WIPO programs recorded 11 fully achieved results out of 14 under this strategic goal. Some minor slippage has been reported in two of the expected results for the

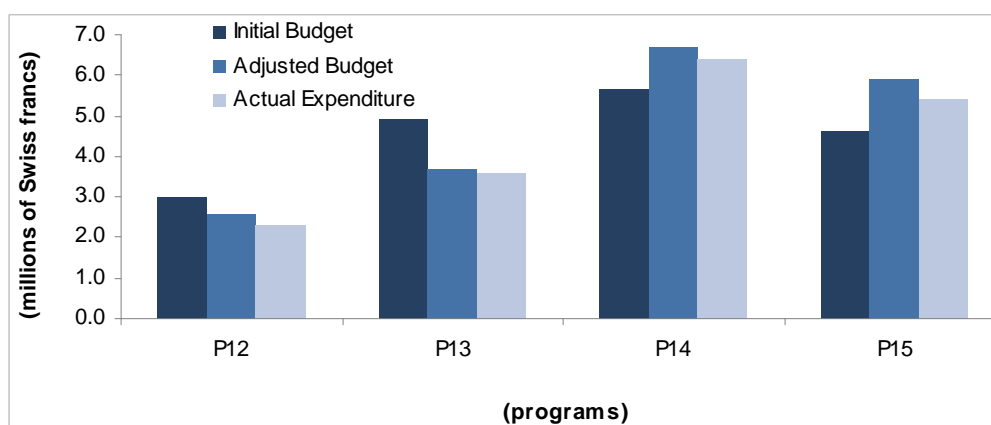
biennium, while for one expected result no progress has been reported. The partial achievement of results under some programs reflects a lack of consensus among Member States regarding subjects for conferences or lack of demand in other cases (see Figure 20).

Figure 20: Budget utilization and expected results for 2006-2007



60. Figure 21 shows the budget utilization, which includes expenditure and adjustments during the biennium. Budget adjustments were registered under all programs of Strategic Goal Three. This was mainly because some activities could not be undertaken as envisaged. During the biennium, Programs 12 and 13 experienced budget adjustments resulting in reductions of their initial budgets, while budget increases, after adjustment, were registered under Programs 14 and 15. Budget increases under these Programs were necessary in order to cope with the increased demand for services from member States.

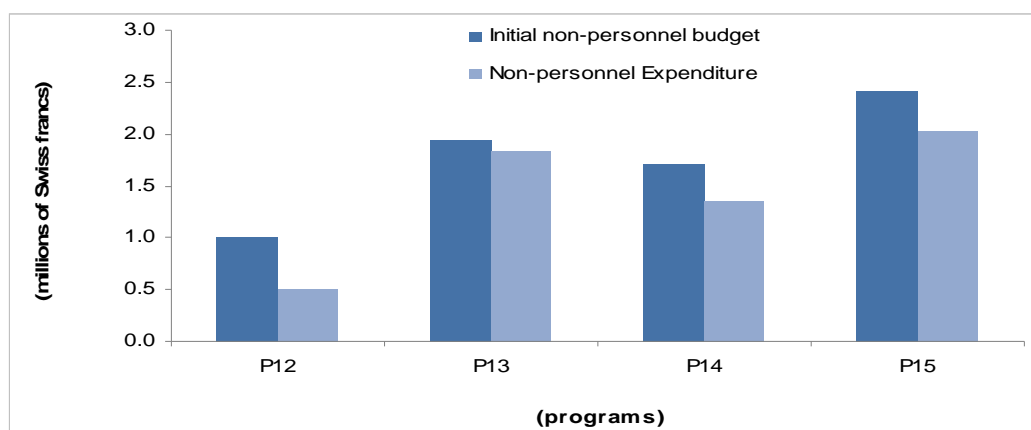
Figure 21: Budget allocation by program for 2006-2007



61. Overall, 7.0 million Swiss francs for non-personnel budget were allocated under this strategic goal. By the end of 2007, the actual non-personnel expenditure was 5.7 million Swiss francs. As shown in Figure 22, none of the programs managed to spend the initial allocated budget. Among the reasons for this were:

- Only one three-day session of the Standing Committee on the Law of Patents (SCP) under Program 12 was convened, as opposed to four sessions;
- A planned Diplomatic Conference (Program 14) was not convened as initially envisaged;
- Similar scenario for Program 15 in which corrective actions in the original planned activities were required.

Figure 22: Initial non-personnel budget and non-personnel expenditure for 2006-2007



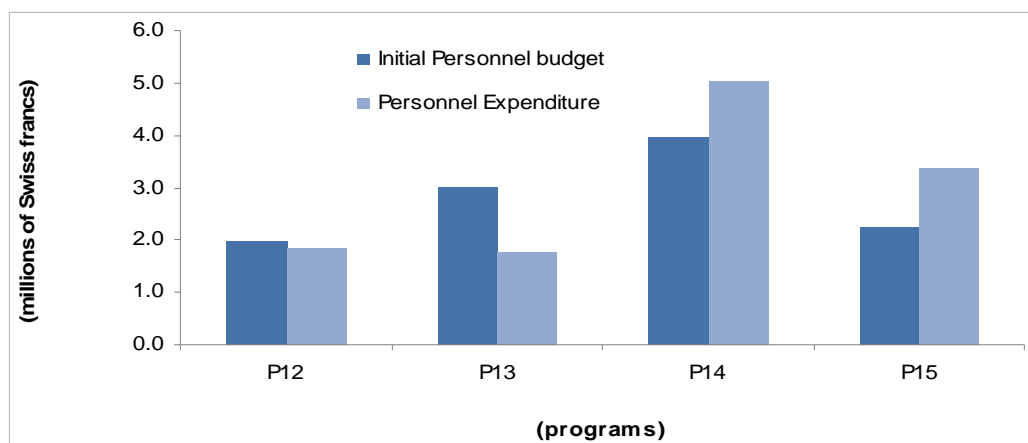
62. For the 2006-2007 biennium, an initial personnel budget of 11.1 million Swiss francs was allocated. By the end of 2007, personnel expenditures were 12.0 million Swiss francs (107.4 per cent) from the initial allocated personnel budget. This was required to finance 33 members of staff (2.6 per cent of the total headcount).

63. Figure 23 shows the utilization of the personnel budget at the Program level. While personnel resources were increased for Programs 14 and 15, a budget reduction was recorded under Program 13. This presented challenges for the Program, as it was required to deliver on the initially agreed expected results, as well as a workload increase, with fewer resources. Staff transfers resulted in a reduction of the number of staff (from eight to four).

64. The reason for budget increases for personnel costs registered under Program 15 can be found under the individual program report for Program 15.

65. This report also notes that not all allocated resources for personnel were exclusively consumed by Programs 14 and 15. For instance, the DDG post under Program 4 is for Programs 4, 9, 10 and 14.

Figure 23: Initial personnel budget and personnel expenditure for 2006-2007



Challenges and expected results

66. WIPO has contributed to strengthening well-balanced progressive development in international law. Box 3 outlines some of the key achievements in reaching this goal.

Box 3: Key achievements on international IP law in 2006-2007

Broader accession of countries to agreements

- Hungary, Oman, Sweden and Uzbekistan acceded to the Patent Law Treaty (PLT); two countries (Angola and Yemen) joined the Paris Convention; six countries (Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Oman) joined the Budapest Treaty during the biennium;
- Adoption of the Revised Singapore Treaty on the Law of Trademarks; Eight countries (Australia, Azerbaijan, Belgium, Benin, China, Ghana, Liechtenstein and Montenegro) joined the WCT, bringing the total number of Contracting Parties to 64;
- Seven countries (Australia, Azerbaijan, Belgium, Benin, China, Liechtenstein and Montenegro) joined the WPPT, bringing the total number of Contracting Parties to 62.

Other achievements

- France, Spain and the Russian Federation passed national legislation implementing the WCT and WPPT;
- A new version of Article 6ter database was published in November 2007, containing some 2,200 individual records corresponding to signs protected under Article 6ter;
- Production of two sets of draft provisions on protection of traditional knowledge and traditional cultural expressions, and extensive practical information on giving effect internationally to such provisions.

67. Figure 20 shows that four out of 14 expected results were only partially achieved or experienced major slippage due to the following:

- In view of other priorities and in the absence of a request from Member States, it was decided not to proceed with work on a concrete revision of the Budapest Treaty during the biennium;
- Decisions have been delayed concerning the future international protection of broadcasting organizations. However, in September 2007 the WIPO General Assembly decided that the subject of broadcasting organizations and cable casting organizations should be retained on the agenda of the SCCR for its regular sessions;
- Decisions have been delayed on future work regarding the protection of audiovisual performances. However, the General Assembly decided that the issue should remain on the Agenda of the WIPO General Assembly at its September 2008 session;
- No progress was achieved on the improvement of understanding of non-original databases by making decisions concerning the future work on the protection of non-original databases. This was mainly due that at the November 2005 session of the Standing Committee, it was decided that the issue would only reappear on the Committee's agenda if requested by a Member State. No such request was made.

STRATEGIC GOAL FOUR: Delivery of Quality Service in Global IP Protection Systems

68. Defined as ensuring delivery of quality services in global IP protection systems by:

- Establishing the PCT system as the most accessible, reliable and affordable means of obtaining patent protection worldwide as well as further modernizing, improving and strengthening to ensure that the system continues to meet the needs of applicants and all offices, resulting in greater reliance on the system and hence less work duplication;
- Maintaining efficient and cost effective administration of the international registration systems and promoting their development and use;
- Promoting better understanding of WIPO and IP issues worldwide and enhancing support for WIPO's mandate through a proactive communication strategy;
- Enhancing the administration of the international trademark and design systems;
- Enhancing IP protection through the resolution of IP disputes by arbitration and mediation, and enhancing the legal framework for the protection of IP in the Internet Domain Name System.

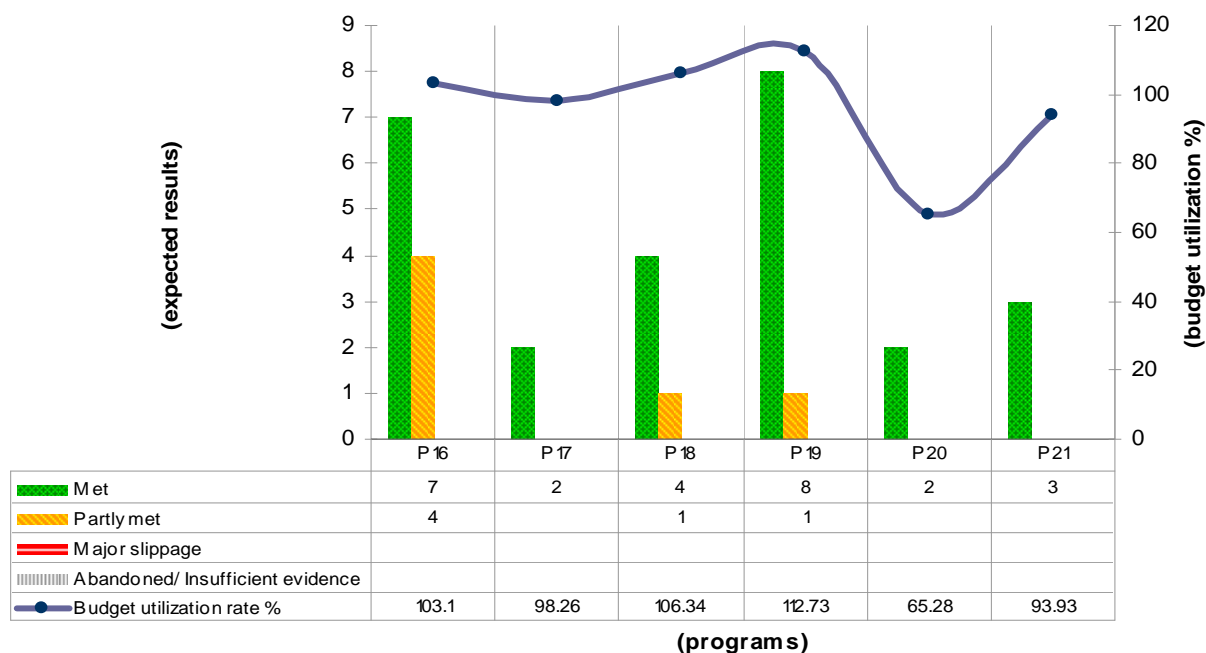
69. This Program consists of six programs, namely: Program 16 - Administration of the PCT System; Program 17 - PCT Reform; Program 18 - Madrid, The Hague and Lisbon Registration Systems; Program 19 - Patent Information, Classifications and IP Standards; Program 20 - International Classifications in the Field of Trademarks and Industrial Designs; Program 21 - Arbitration and Mediation Services and Domain Names Policies and Procedures.

Total inputs and total expected results

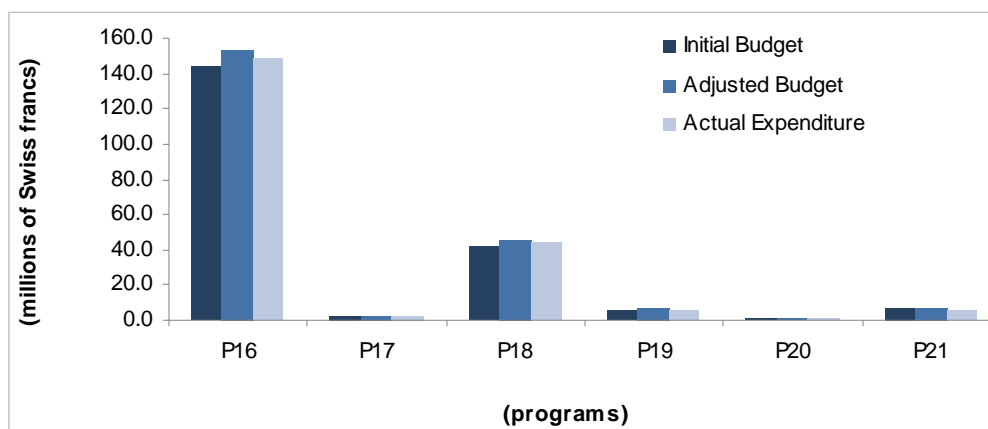
70. A total initial budget of 201.9 million Swiss francs (38 per cent) of WIPO's overall initial budget was allocated to achieving Strategic Goal Four. Figure 25 represents the budget allocation among the various programs. By the end of 2007, an actual expenditure of 208.8 million Swiss francs (103 per cent) of the initial budget allocated was utilized in order to achieve the desired results.

71. Figure 24 shows the performance of the programs, which has been measured based on 32 expected results and 62 indicators. Strategic Goal Four recorded 26 fully achieved results out of 32. Six out of 32 expected results were partly met.

Figure 24: Budget utilization and expected results for 2006-2007



72. During implementation, the overall initial budget was increased by six per cent as part of the adjustment process. Figure 25 shows the budget allocation by program, by initial budget, adjusted budget and actual expenditure. The budgets for Program 16 and Program 19 were increased as part of the adjustment process. The initial budget for Program 20 was reduced by 33 per cent with the departure of a staff member who was not replaced.

Figure 25: Budget allocation by program 2006-2007

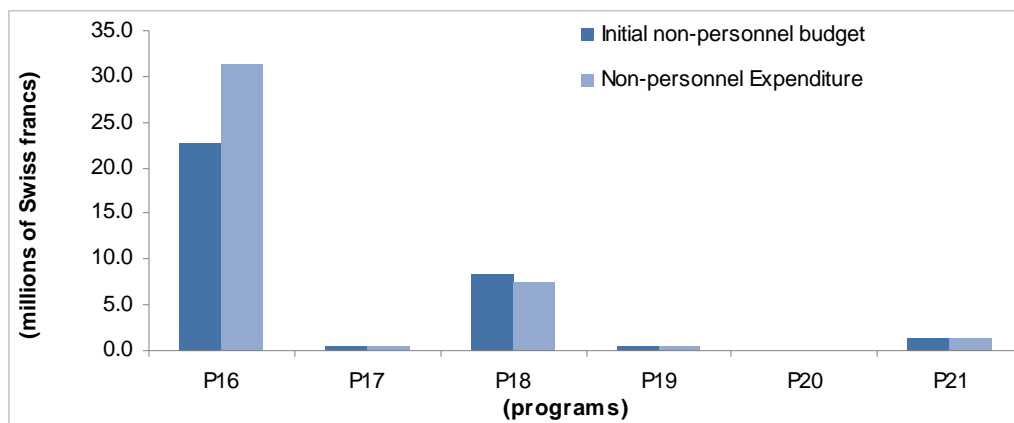
73. As reported, two strategic goals benefited from the flexibility mechanism, namely Strategic Goal Four and Five. As indicated in the Financial Management Report (FMR) for 2006-2007 (document WO/PBC.13/2), the flexibility mechanism adopted by the Assembly of the PCT, Madrid and Hague Unions in 1989 allows for the reflection of unbudgeted increases of workload under the PCT (Program 16), Madrid and Hague (Program 18) Systems, with proportionate increases in the number of posts in the corresponding programs. For the PCT, it also allows the creation of posts in the programs providing common services directly affected by the increase of workload in the PCT (on a 1:4 ratio).

74. In view of the increase in demand in the PCT system and of the Madrid systems, a total of 40 additional posts were initially allocated to Programs 16 and 18 (13 flexibility posts were allocated to Program 18 and 27 flexibility posts were allocated to Program 16). However, during the biennium not all flexibility posts were actually filled. This was the case for Program 18, of the 113 allocated posts (100 under regular budget and 13 flexibility posts), only 109 were actually filled. The four remaining flexibility posts were only approved in 2008. The flexibility posts have allowed some programs to support delivery and provide certain economies of scale. This has been the case with Program 18.

75. The initial non-personnel budget for the biennium was 33.3 million Swiss francs. Actual expenditure on non-personnel for the biennium was 41.0 million Swiss francs (123 per cent). Figure 26 provides an overview of the initial non-personnel budget and non-personnel expenditure by program. Only Program 16 was provided with additional non-personnel resources during the biennium, the main reason being the strategic decision to outsource translation work as opposed to hiring additional staff to cope with the higher workload. The impact of this was that the non-personnel budget had to be substantially increased over the initial budget approved by the Assembly in 2005.

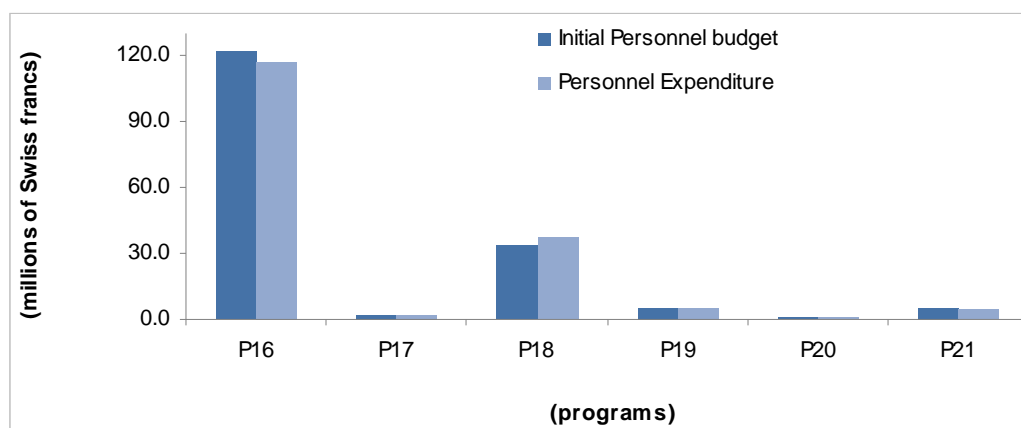
76. As shown in Figure 26, Program 17 was unable to utilize 25 per cent of its initial budget of 400 thousand Swiss francs. The main reason for this was that instead of holding two sessions of the Working Group, only one was convened.

Figure 26: Initial non-personnel budget and non-personnel expenditure for 2006-2007



77. Under this strategic goal, the initial personnel budget was 168.6 million Swiss francs. Actual personnel expenditure for the biennium was 167.8 million Swiss francs. As shown in Figure 27, Program 18 was the only Program to receive an increase in budget for personnel costs.

Figure 27: Initial personnel budget and personnel expenditure for 2006-2007



Challenges and expected results

78. In today's changing world the challenges that WIPO faces in ensuring delivery of quality service in global IP protection systems are multifold. WIPO has been experiencing growing demand from Member States for a well-functioning, efficient IP system in terms of cost, timeliness and quality. WIPO's global protection system has had to respond to the demand for such services from IP users, and has promoted more equitable access to the systems for different users, especially those in the developing world for whom cost and complexity of access to IP systems inhibit their capacity to benefit from greater access to the global market opened up by the Internet. Moreover, activities under the Madrid system continued to increase significantly during the biennium and have further extended their geographical coverage.

79. Further challenges WIPO had to face included:

- The increased number of contracting parties in terms of the volume of operations that the International Bureau has to cope with and the need for the International Bureau, in cooperation with the offices of the contracting parties, to find ways and means to establish the smoothest possible procedures for the communication of notifications between them under the Madrid system;
- Regarding renewals, due to a change in the renewal period from 20 to 10 years, a much higher number of renewals was processed during this biennium;
- Expansion of the geographical coverage of the Madrid Protocol and the 1999 Act of the Hague Agreement, the benefits of which are only available to applicants from contracting parties and extend only to the territories of contracting parties;
- Expansion of the use of the international registration systems also remains a challenge and requires that the systems remain attractive for users and responsive to their needs;
- The enhancement of the awareness, standardization and documentation of information available in IP databases, to ensure efficient access to industrial property information contained in IP Digital Libraries (IPDLs);
- Against the background of the increasing numbers of cases, dispute policies, case languages, and domain name scripts, quality performance and timely administration of cases in compliance with the rules and the maintenance of the WIPO Arbitration and Mediation Center's infrastructure were also some of the main challenges.

80. Taking into consideration the relevance of this strategic goal and the major benefits for IP users, 39 per cent of WIPO's actual expenditure was used towards achieving this goal. This has been broken down into 32 expected results, which are aimed at directly enhancing the delivery of quality services.

Box 4 (a): Key achievements in relation to the delivery of quality services in global IP protection systems 2006-2007

Increased use of systems:

- The number of PCT applications increased from 256,956 in 2004-2005 to 306,512 in the 2006-2007 biennium i.e., a 19.3 per cent increase compared to the previous biennium;
- The number of international registrations under the Madrid System increased from 56,548 in 2004-2005 to 75,695 in 2006-2007 i.e. 33.9 per cent increased compared to previous biennium. The number of renewals by the end of 2006-2007 was 32,683, compared to 14,841 in 2004-2005 i.e. 120.2 per cent increased compared with previous biennium.

Box 4 (b): Key achievements in relation to the delivery of quality services in global IP protection systems 2006-2007*Broader accession of countries to agreements*

- Seven States (Azerbaijan, Botswana, Montenegro, Oman, San Marino, Viet Nam and Uzbekistan) became parties to the Madrid Protocol;
- Five States (Albania, Armenia, Botswana, France and The Former Yugoslav Republic of Macedonia) became parties to the 1999 Act of the Hague Agreement;
- Four States (Argentina, Malaysia, Montenegro and Turkmenistan) acceded to the Nice Agreement;
- Three States (Croatia, Malaysia and Turkmenistan) acceded to the Vienna Agreement;
- Four States (Armenia, Montenegro, Turkmenistan and Uzbekistan) acceded to the Locarno Agreement;
- The number of Contracting States under the PCT rose during 2006-2007 from 128 to 138, with new memberships for Angola, Bahrain, Dominican Republic, El Salvador, Guatemala, Honduras, Lao People's Democratic Republic, Malaysia, Malta and Montenegro.

Adoption of amendments and treaties

- Amendments to PCT Regulations concerning the inclusion of two more languages, Korean and Portuguese, as “languages of publication” under the PCT, were adopted by the PCT Assembly in October 2007 with effect from January 1, 2009;
- On January 1, 2006, an amendment to the Common Regulations under the Madrid Protocol came into force providing for a reduction in the amount of the basic fee payable by applicants originating from least developed country members of the Madrid Union in connection with the international registration of marks under the Madrid System;
- The Assembly of the Hague Union adopted, in November 2007, a revision of the fee structure under the Hague Agreement, consisting of a reduction in the amount of the fees payable in connection with an international application for applicants originating from least-developed country members of the Hague Union. The adoption of other amended provisions has been mentioned under the individual reports: The Committee of Experts of the Vienna Union adopted 46 amendments and additions to the Vienna Classification out of 60 proposals submitted;
- The Committee of Experts of the Locarno Union adopted 63 amendments and additions to the Locarno Classification out of 83 proposals submitted.

Box 4 (c): Key achievements in relation to the delivery of quality services in global IP protection systems 2006-2007

Increased administrative efficiency

- Increased productivity by reducing the number of personnel working directly in the PCT from 387 in 2005 to 373 by the end of 2007;
- Efficiency-gains in the processing of Madrid and Hague applications (see efficiency gains Figure 5, page 10).

81. For six out of the 32 expected results, work is still on going and, in some cases, results were only partially achieved, for example:

- the agreed targets for the Hague System were only partially achieved. However, the number of renewals of existing registrations was 7.6 per cent higher than in the previous biennium. Increases also occurred as regards the number of designs contained in renewals and in the number of requests for modification received in respect of existing registrations. It should be noted that it is difficult to forecast the level of use of the systems, since such use is influenced by several external factors;
- the work on the reduction, by at least one form, in the number of notifications and communications issued to applicants under the PCT in an average case is still being analyzed;
- work on the availability of at least one on-line service for applicants to access confidential information about their PCT applications is under way;
- under the administration of the PCT Systems, four out of five policies and practices were introduced, for instance terms of reference for short-term employees and consultants were created and processed, management of staffing and administrative matters was streamlined, and a tracking system database for budget control purposes was created. Moreover, the compilation and updating of job descriptions for all staff in posts within the Program are nearing completion.

STRATEGIC GOAL FIVE: Greater Efficiency of Management and Administrative Support Processes within WIPO

82. Strategic Goal Five is defined as focusing implementation of program activities through responsible management and administrative efficiency in the context of WIPO's results-based program and budget framework.

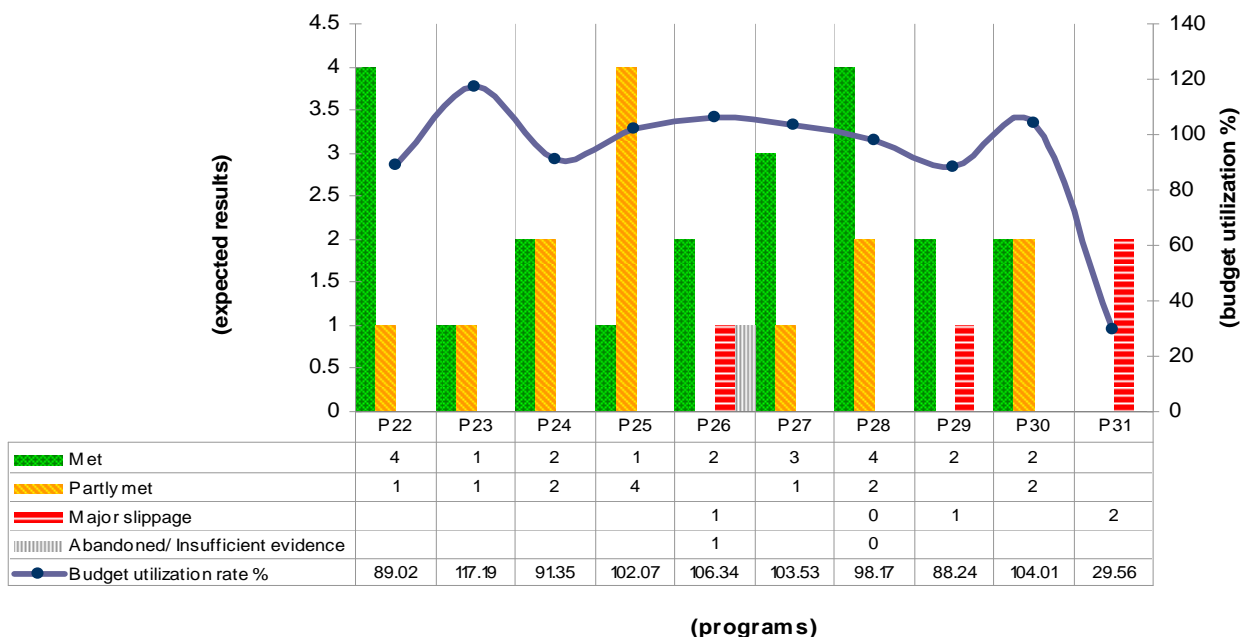
83. It consists of ten programs, namely: Program 22 - Direction and Executive Management; Program 23 - Budget Control and Resource Mobilization; Program 24 - Internal Oversight; Program 25 - Human Resources Management; Program 26 - Financial Operations; Program 27 - Information Technology; Program 28 - Conference, Language,

Printing and Archives; Program 29 - Premises Management; Program 30 - Travel and Procurement; Program 31 - The New Construction.

Total inputs and total expected results

84. The initial budget for Strategic Goal Five was 198.5 million Swiss francs. This represents 37 per cent of WIPO's overall initial budget. About 95 per cent of this initial budget was utilized in the biennium.

Figure 28: Budget utilization and expected results for 2006-2007

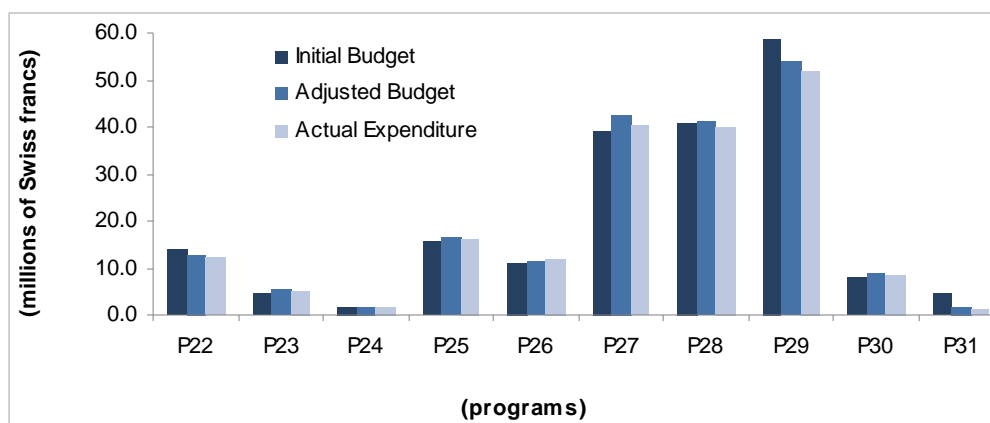


85. Figure 28 shows the assessment of the expected results and the level of budget utilization by program. The performance of the programs has been measured based on 39 expected results and 60 indicators. Strategic Goal Five recorded 21 fully achieved results out of 39. Some minor slippage has been reported in 13 of the expected results and major slippage has been reported in four of the expected results, while for one expected results no progress has been reported.

86. It should be noted that Program 31, in accordance with decisions by Member States and recommendations of the WIPO Audit Committee, started later than initially envisaged.

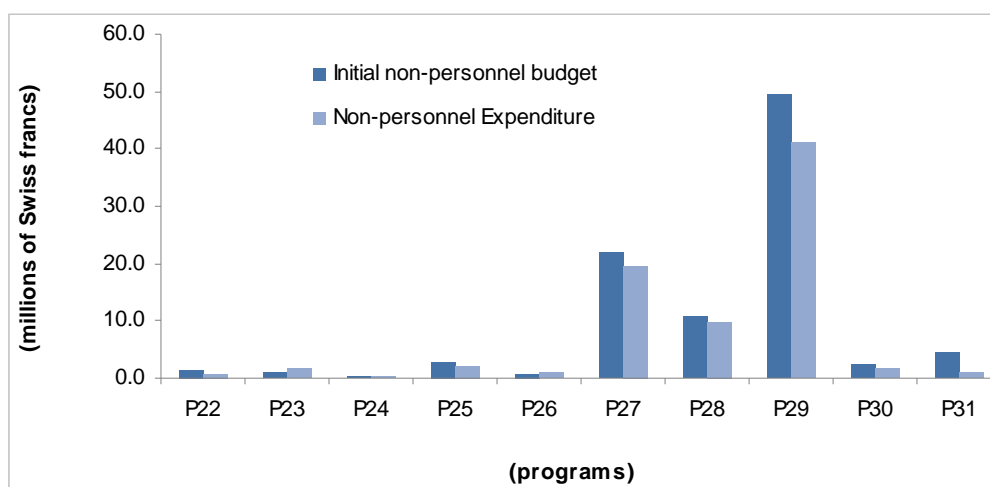
87. The initial budget of 198.5 million Swiss francs for Strategic Goal Five was reduced by one per cent as part of the adjustment process. Although at the strategic goal level no major budget changes were identified, there were significant changes at the program level. For instance; Program 23 was increased by 17.9 per cent, Program 27 was increased by 9.4 per cent and Program 28 was increased by 0.8 per cent. As shown also in figure 29, not all programs managed to utilize their allocated budgets as initially envisaged.

Figure 29: Budget allocation by program 2006-2007



88. Figure 30 shows that for almost all programs the initial non-personnel budget provided could not be used as envisaged. The main reason for under-expenditure was a shortage of staff in some programs, which led to the postponement or cancellation of some activities. Program 31 could not start as initially envisaged. In the case of Program 23, non-personnel expenditures exceeded the initial budget owing to expenditures which it had not been possible to foresee when the initial budget was prepared (e.g. desk-to-desk assessment, Audit Committee, additional sessions of the PBC).

Figure 30: Initial non-personnel budget and non-personnel expenditure for 2006-2007



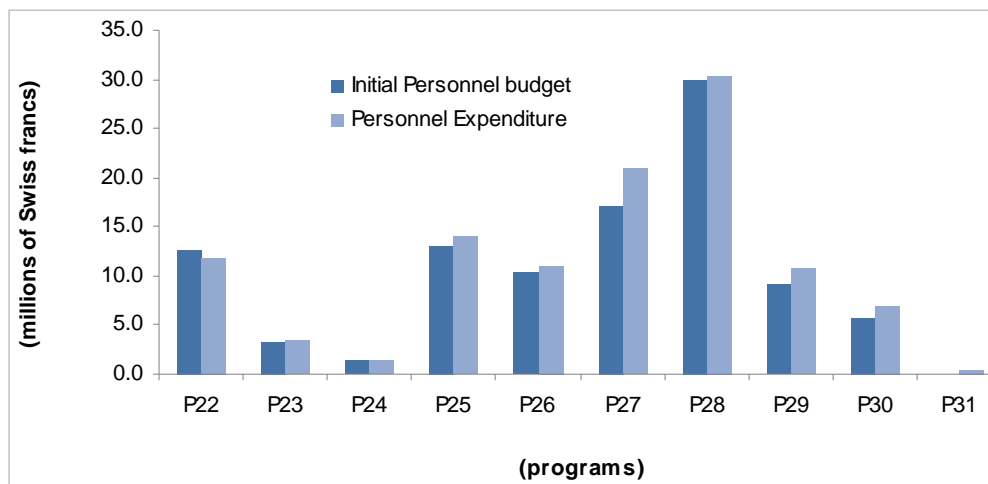
89. The initial budget for personnel costs was 102.8 million Swiss francs. Actual expenditure on personnel costs was 110.9 million Swiss francs.

90. Figure 31 shows initial versus actual expenditure at the program level. The specific reasons for under- or over-expenditure are reported on the Individual Program Performance Reports 2006-2007 (document WO/PBC/13/3(b)). The most common reasons for under-expenditure were staff members switching from full-time to part-time work (i.e. 100 per cent to 80 per cent activity rate) or failure to recruit staff as initially planned. In other cases, such as Program 23, actual personnel expenditures exceeded the initial budget by six per cent due to:

- ICSC adjustments effecting personnel expenditures, which had not been foreseen in the initial budget; and

- the cost of flexibility posts (2 allocated, 1 filled as at end December 2007) in the Program, which were also not included in the initial budget.

Figure 31: Initial personnel budget and personnel expenditure for 2006-2007



Challenges and expected results

91. Some of the main challenges facing this Strategic Goal were:

- Coping with a continuing increase in depositary functions, and providing adequate Secretariat services to upcoming diplomatic conferences and other meetings of Member States;
- Managing the increase in applications for observer status and participation by non-governmental organizations in the Assemblies and other meetings of the Organization, requiring adequate responses to the legal, procedural and administrative aspects resulting from the increasing participation of such organizations;
- Ensuring that resources are utilized in the most effective and efficient way of delivering results based on the Organization's priorities, as decided by the Member States;
- Strengthening the existing oversight structure and enhance its contribution to the management of the Organization, in accordance with expectations of Member States;
- Providing adequate staffing to all WIPO area in the most cost-effective manner, as well as timely and appropriate deployment of staff for priority activities;
- Integrating the outcome of the desk-to-desk comprehensive needs assessment of the human and financial resources of the Organization planned to start in 2005, into the overall human resources strategy;
- Implementing a revised performance appraisal system, including an appeal/rebuttal mechanism, to enhance staff performance through improved

dialogue, containment of costs for social security and welfare services, enhancement of and provision of existing and new insurance plans, staff development activities in line with WIPO's objectives, enabling staff to develop to their full potential;

- Providing quality services while further improving cost-effectiveness;
- Further adapting of the new automated finance system AIMS to the specific needs of WIPO's financial operations;
- Containing IT operating costs, while ensuring the reliable and secure operation of WIPO's IT systems;
- Ensuring the sustainability of WIPO's IT investment by replacing Windows NT, as well as a number of desktop computers and servers, which were purchased in 1999 to ensure year 2000 compliance but which will, after seven years, no longer be covered by manufacturer maintenance agreements;
- Further rationalizing the use of WIPO's premises in response to WIPO's existing and future space requirements needs;
- Ensuring an appropriate level of security on WIPO premises with limited resources;
- Providing quality travel services at reduced cost;
- Providing efficient and quality procurement services while ensuring the respect of applicable rules and regulations.

92. Some examples of results achieved in relation to Strategic Goal Five are outlined in Box 5.

Box 5: Key achievements in increasing the efficiency of management and administrative support processes within WIPO during 2006-2007

- Enhanced efficiency of the Organization's depository functions by reducing the time for processing notifications of accession and other treaty actions from seven days to less than four days;
- A WIPO-administered treaties database became operational at the beginning of the biennium;
- Budget and resources were managed more efficiently during the biennium e.g. a fifty per cent efficiency gain on the ratio of PCT staff to the number of PCT applications was recorded;
- The information and technology program achieved a reduction of 48 per cent on the number of consultancy days per month for AIMS;
- A reduction of 18 per cent on rental costs and charges was achieved by vacating the Chambesy building and the third floor of the Giuseppe Motta building.

93. The following are some examples of expected results that could not be achieved as originally envisaged:

- A reduction of legal claims in respect of agreements concerning contracts, construction, purchases, licenses, insurance, Funds-in-Trust and banking agreements between WIPO and third parties was not possible during the 2006-2007 biennium;
- Efficiency gains have only been partially achieved. Further improvements on the criteria, benchmark and baseline of efficiency gain indicators are being considered.
- The proportion of women at senior professional and higher category levels has remained stable;
- Full compliance with Minimum Operating Security Standards (MOSS) has not been achieved during the biennium. The Safety and Security Coordination Services launched a project to be MOSS-compliant, but this has not been approved by the Member States;
- Greater cost-efficiency of travel by WIPO staff and third party participants could not be fully met and indicator is no longer applicable.
- More efficient visa administration was not always possible, as many visa requests are not received, as required, by the Travel Section, three to four weeks before the date of departure.

CONCLUSIONS

94. The experience gained during the last 10 years of preparing Program Performance Reports (PPR) and the efforts made by the Secretariat towards establishing a more results-based management (RBM) culture have helped considerably to develop program performance reporting and management systems within WIPO. For this 2006-2007 PPR, WIPO has again provided key information on the work of programs and their achievements. New for this report is this IAOD summary report of performance at the level of strategic goal.

95. As requested by Member States, a great deal of more quantitative information and data are provided and analyzed. It is to be noted that the program performance system has already been further developed and enhanced via the Program and Budget for 2008-2009, and this will help future performance analysis and reporting significantly. In addition to the above, WIPO will continue to work on the improvement of performance criteria and data quality.

96. In preparing the PPR for the 2006-2007 biennium, four areas for further improvement have been identified and these will be enhanced by the Secretariat in future periods:

Strategic planning

97. Program performance has until now been measured on short-term indicators set at the program level, rather than medium and long-term ones set at the strategic or corporate levels. The program level indicators of performance are many (133 Expected Results), which could lead to overlap and make the establishment of a relationship to strategic goals and corporate requirements more difficult than it should be. This gap between the program and strategic goal level needs to be bridged by indicators related to the achievement of the strategic goals themselves and specifically to the corporate level.

98. This could lead also to a useful rationalization and reduction to the program level indicators, which will need to be complementary to the higher-level corporate targets. Program performance management systems would also greatly benefit from clearer linkage between short-term and medium to long-term indicators. In addition, since the WIPO short-term plan ends in 2009, there is an excellent opportunity to take stock of past lessons and apply them for future improvements in strategic thinking, planning and management. Furthermore, the future strategic plan should include better arrangements for setting out goals and what is to be done to achieve those goals and, of course, effective and reliable systems for monitoring and evaluation. If process for better strategic planning are put in place, there will also be an opportunity to also improve medium term financial planning.

Program and project planning

99. WIPO's strategic framework has evolved over quite a long period of time. From 2005, 31 programs were created to facilitate the implementation of the RBM system and program level performance and monitoring. Those 31 programs were included in the Program and Budget for 2006-2007, demonstrating the Organization's commitment to enhancing program delivery. For 2008-2009 there are currently 32 programs in the approved Program and Budget. IAOD considers that there is good value to be obtained in the further use of planning tools such as the logical framework, risk management, and more detailed work and action plans for program implementation, which includes not only budget and timeframes but also actions, roles and responsibilities for implementation would improve programming and project planning. Furthermore, written plans for each program and for individual material projects, which are well linked to the strategic objectives and therefore to the Organization's mission, vision and goals would also add value to future PPR and program management.

Improved linkages between planned resources and expected results

100. This biennium's PPR reflects the Organization's efforts to enhance accountability by demonstrating what has been accomplished with the resources entrusted to a program in relation to what was initially planned. Due to the dynamic environment in which WIPO, and any organization, works, the adjustment of the allocations of financial and human resources during program implementation is always necessary. This is in order to take into account urgent and unforeseen matters and make the most efficient and effective use of the available resources in emerging situations and developing priorities (subject to the relevant provisions on transfers in the Financial Regulations). Plans cannot be completely fixed and unvarying. However, modifications of original planned resources do have implications for the planned and approved expected results – especially if approved resources are significantly reduced. Program Managers need to be kept as well informed as possible about the reallocation of

resources (human and financial resources) and there needs to be a flexible process to assist them, if required, with the modification of their expected results when making necessary adjustments.

Monitoring and evaluation

101. WIPO rightly sees the PPR as an important and central element of its RBM framework, and a tangible expression of its adherence to principles of good stewardship, transparency and accountability. For the next periods, the PPR itself and the underlying RBM system would benefit from a shift in emphasis from tracking progress in terms of listing the activities carried out towards a more strategically oriented monitoring and evaluation system, which can show outcomes and impacts. Improvements in WIPO's strategic and financial medium and long-term plan processes, as well as improvements in program and project planning and implementation, together with enhanced monitoring and evaluation systems, could allow future PPRs to be better able to draw conclusions as to *why* strategic goals have been achieved to a greater or lesser extent and *what has been learned* during the implementation process.

102. In line with increasing demand from Member States for an enhancement of the Organization's program performance and effectiveness, WIPO is working towards putting in place a stronger and more coherent results-based monitoring and evaluation system. This will help contribute to an enhanced WIPO learning culture, and better transparency and accountability. Information gained through a more outcome and impact-oriented monitoring and evaluation system will greatly assist managers at all levels in improving the performance, outcomes and impacts of strategies, programs and projects.

SECTION IV

ANNEXES

ANNEX 1: METHODOLOGY

1. The analysis and assertions contained in this assessment were first provided by the Program Managers and were reviewed in collaboration with IAOD. In order to improve the reliability and accuracy of these assessment findings, all individual program performance reports have been reviewed, identifying inconsistencies, omissions, factual errors and utilization of resources. Particular attention was paid to reviewing the evidence for values cited in the reports in respect of the achievement of expected results set out in the Program and Budget for the 2006-2007 biennium. Agreement on the outcomes of this report was achieved through several consultations with Program Managers and staff. The individual program performance reports were consolidated and synthesized from the information provided by Program Managers. In order to ensure the quality of the report and as part of the report preparation, short external quality assessment was undertaken by an External Evaluation Expert.

2. For reporting purposes for this biennial PPR and compared to earlier PPRs, some changes have been made to the methodology and presentation of this report.

- (a) A scoring system consisting of a traffic light for the program level expected results and key performance indicators has been used to assist in the analysis of overall performance and measure delivery of expected results at a more strategic level.
- (b) Performance measurement has also been introduced for the first time in this report in order to allow a systematic analysis of performance against strategic goals.
- (c) The resources utilized have been set out in the report and linked to the results achieved, as requested by the Member States;
- (d) More qualitative and quantitative analysis by strategic objective has been provided in Section III of the report;

3. When reading the report, the following needs to be noted:

(a) IAOD has, using the data provided by the Office of the Controller, done all the calculations under the resource allocation section;





(b) All expenditures presented in this report are exclusive of the six percent allocation for the provision for separation from service and medical benefits following separation from service, pending the approval of Member States of the inclusion of this item in actual expenditure for 2006-2007;

(c) In the absence of approval by Member States of the proposed revised budget for the 2006-2007 biennium, this report compares expenditure levels for the biennium to the initial program budget. Adjustments to the budget were made to the extent allowed within the authority of the Director General. The adjusted budget represents the initial budget as approved by Member States, including transfers and the allocation of flexibility resources.

ANNEX 2: PERFORMANCE ASSESSMENT: TRAFFIC LIGHT SYSTEM

1. The traffic light system that has been applied to measure WIPO's overall performance is a widely recognized performance assessment system and is being used by several government organizations in order to score the performance of their service delivery. An important part of the program performance report is in rating the achievement of objectives, against the following four-point traffic light scale.

2. Green scores are applied when targets have been met or exceeded. Amber scores indicate that the target is at least 75 per cent met while red scores indicate that the target was not met by at least 75 per cent. A white score has been used when the target has been deferred, abandoned or evidence is insufficient.

 <p>Green</p>	<p>On course / Met / Ahead of target</p>
	<ul style="list-style-type: none"> - The progress on the target/sub-target/indicator is either exceeding or in line with plans and expectations or - The target/sub-target indicator has been achieved by the target date in the case of a final assessment.
 <p>Amber</p>	<p>Broadly on course / Partly met / minor slippage</p>
	<ul style="list-style-type: none"> - Progress on the target/sub-target/indicator is broadly on course but there has been minor slippage. Alternatively progress may have been made in some areas but not in others or - The target/sub-target/indicator has been partly met, i.e. some, but not all, elements have been achieved by the target date, or very close to achieving the target.
 <p>Red</p>	<p>Not on course / Not met/ major slippage</p>
	<ul style="list-style-type: none"> - Progress on the target/sub-target/indicator is not on course and there has been major slippage or - The target/sub-target/indicator was not met, or was met late.
 <p>White</p>	<p>Target abandoned, deferred or insufficient evidence</p>
	<ul style="list-style-type: none"> - Progress on the target/sub-target/indicator could not be achieved since the context of implementation has change and indicator is no longer relevant. The target had to be reviewed or - Means that there was not sufficient monitoring data to provide evidence on the achievement.

3. In order to understand why differentials in progress have occurred, for each expected result a comment on the achievement has been requested. This should: provide a short justification of the rating; discuss key factors contributing to or hampering success; describe key results and, describe the performance of the main activities that contribute to this objective, and how these activities contribute.

ANNEX 3: DEFINITION OF BUDGET HEADINGS

SOURCES OF INCOME

- Contributions: Contributions of Member States to the Organization under the unitary contribution system;
- Fees: Fees for the International Bureau under the PCT, Madrid, Hague and Lisbon Systems;
- Interest: Revenues from interest on capital deposits;
- Publications: Revenues from the sale of publications and from subscriptions to periodicals published by the Secretariat, in paper, CD-ROM or any other format;
- Other income: fees for the arbitration of domain names, registration fees for conferences and training courses, support charges in respect of extra-budgetary activities executed by WIPO and financed by UNDP and trust funds, accounting adjustments (credits) in respect of prior years and currency adjustments (credits), rental of WIPO premises, UPOV's payments to WIPO for administrative support services.

OBJECTS OF EXPENDITURE

Personnel Resources

1. Posts: remuneration received by staff members, in particular salaries, post adjustment, dependency allowances, language allowances and overtime, non-resident allowances, assignment grant and representation allowances and allowances received by staff members not included in their salaries. The latter includes employer's contribution towards pension fund, participation in sickness insurance scheme, contribution towards the separation provision used for covering payments due upon separation from service, education grants, removal expenses, travel expenses of dependent children attending educational institutions, home leave, grants to cover costs of installation in the duty station, professional accident insurance premia, refund of national income taxes on salaries and other allowances, indemnities or grants paid by the Secretariat.

- Short-term Employees: remuneration and allowances paid to staff on short-term appointments;
- Consultants: remuneration and allowances paid to headquarters-based consultants;
- Special Service Agreements: remuneration paid to headquarters-based holders of special service agreements (SSAs);
- Special Labor Contract (SLC).

NON-PERSONNEL RESOURCES

Travel and Fellowships

- Staff missions: travel expenses and daily subsistence allowances for the staff and headquarters-based consultants of the Secretariat on official travel;
- Third party travel: travel expenses and daily subsistence allowances for Government officials, participants and lecturers attending WIPO-sponsored meetings;

- Fellowships: travel expenses, daily subsistence allowances, training, and other fees in connection with trainees attending courses, seminars, long-term fellowships and internships.

Contractual Services

- Conferences: remuneration, travel expenses and daily subsistence allowances for interpreters; renting of conference facilities, and interpretation equipment; refreshments and receptions; and the cost of any other service directly linked to the organization of a conference;
- Experts' Honoraria: remuneration, travel expenses and daily subsistence allowances, and honoraria paid to lecturers;
- Publishing: outside printing and binding; reviews; paper and printing; other printing: reprints of articles published in reviews; brochures; treaties; collections of texts; manuals; working forms and other miscellaneous printed material; production of CDROMs, videos, magnetic tapes and other forms of electronic publishing;
- Other services: fees of translators of documents; rental of computer time; cost of staff training; recruitment costs; and other external contractual services.

Operating Expenses

2. Premises and maintenance: acquiring, renting, improving and maintaining office space and renting or maintaining equipment and furniture, loan reimbursement for new construction, external management consultants related to new construction.
3. Communication and other expenses: communication expenses such as telephone, telegrams, telexes, facsimile and mail, postage and carriage of documents; other expenses such as medical assistance, housing service, Administrative Tribunal, Staff Association, hospitality; bank charges; interest on bank and other loans (except building loans); currency adjustments (debits); audit expenses; unforeseen expenses and accounting adjustments (debits) in respect of prior years; contributions to joint administrative activities within the United Nations system; repayment to one or more Unions of advances in connection with the creation of a new Union or amortization of the deficit resulting from the organizational expenses of a Union, and expenses not specifically provided for.

Equipment and Supplies

4. Furniture and equipment: office furniture and office machines; text processing and data processing equipment; conference servicing equipment; reproduction equipment; transportation equipment.
5. Supplies and materials: stationery and office supplies; internal reproduction supplies (offset, microfilms, etc.); library books and subscriptions to reviews and periodicals; uniforms; data processing supplies; computer software and licenses.

ANNEX 4: BUDGET UTILIZATION² AND ALLOCATION BY PROGRAM FOR 2006-2007

Program	Initial Budget 2006-2007	Adjusted budget after Transfers and flexibility resources	Actual Expenditure excluding 6%	% of total initial budget	% of total adjusted budget after transfer and flexibility resources	% of actual expenditure excluding 6%
In thousands of Swiss francs						
SG1						
1. Public Outreach and Communication	13 280	12 897	12 607	2.50	2.41	2.45
2. External Coordination	10 743	11 086	10 871	2.02	2.07	2.11
3. Strategic Use of IP for Development	12 347	17 486	16 557	2.33	3.27	3.21
4. Use of Copyright in the Digital Environment	2 608	1 343	1 323	0.49	0.25	0.26
5. IP and Public Policy	1 608	371	297	0.30	0.07	0.06
SG2						
6. Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs	37 649	35 995	33 966	7.09	6.73	6.59
7. Certain Countries in Europe and Asia	4 530	4 574	4 399	0.85	0.85	0.85
8. Business Modernization of IP Institutions	4 843	4 651	4 257	0.91	0.87	0.83
9. Collective Management of Copyright and Related Rights	2 114	941	899	0.40	0.18	0.17
10. IPR Enforcement	2 966	2 732	2 610	0.56	0.51	0.51
11. WIPO Worldwide Academy	14 327	12 609	11 270	2.70	2.36	2.19
SG3						
12. Law of Patents	2 996	2 544	2 332	0.56	0.48	0.45
13. Law of Trademarks, Industrial Designs and Geographical Indications	4 954	3 692	3 599	0.93	0.69	0.70
14. Law of Copyright and Related Rights	5 683	6 719	6 392	1.07	1.26	1.24
15. TK, Traditional Cultural Expressions and Genetic Resources	4 649	5 899	5 402	0.88	1.10	1.05
SG4						
16. Administration of the PCT System	144 445	153 116	148 921	27.20	28.61	28.91
17. PCT Reform	2 301	2 339	2 261	0.43	0.44	0.44
18. Madrid, The Hague and Lisbon Registration Systems	41 949	44 962	44 607	7.90	8.40	8.66
19. Patent Information, Classification and IP Standards	5 459	6 636	6 154	1.03	1.24	1.19
20. International Classifications in the Field of Trademarks and Industrial Designs	1 270	843	829	0.24	0.16	0.16
21. Arbitration and Mediation Services and Domain Names Policies and Procedures	6 519	6 825	6 123	1.23	1.28	1.19
SG5						
22. Direction and Executive Management	13 977	12 616	12 442	2.63	2.36	2.42
23. Budget Control and Resource Mobilization	4 513	5 323	5 289	0.85	0.99	1.03
24. Internal Oversight	1 781	1 798	1 627	0.34	0.34	0.32
25. Human Resources Management	15 725	16 629	16 051	2.96	3.11	3.12
26. Financial Operations	11 265	11 584	11 979	2.12	2.16	2.33
27. Information Technology	38 978	42 659	40 352	7.34	7.97	7.83
28. Conference, Language, Printing and Archives	40 800	41 135	40 054	7.68	7.69	7.78
29. Premises Management	58 751	54 177	51 840	11.06	10.12	10.06
30. Travel and Procurement	8 082	9 098	8 406	1.52	1.70	1.63
31. The New Construction	4 631	1 709	1 369	0.87	0.32	0.27
Total	525 743	534 988	515 085	99.01	99.97	100.00
Unallocated	5 257	156	0	0.99	0.03	0.00
GRAND TOTAL	531 000	535 144	515 085	100.00	100.00	100.00

² Budget utilization for 2006-2007 excluding provision corresponding to 6% of biennial staff expenditure, to cover the long-term financial liabilities of the Organization for separation and after-service medical benefits (ASHI)

ANNEX 5: ACTUAL EXPENDITURE BY ITEM AND TYPE OF INCOME FOR 2006-2007

	Actual expenditure 2004-2005	Initial budget	Actual expenditure 2006-2007	Difference 2006-2007	
				Amount	%
A. Personnel resources					
Posts	300 753	292 110	313 246*	21 136*	7.2
Temporary staff	49 152	45 394	46 960	1 566	3.4
Consultants	14 258	12 600	10 584	(2 016)	(16.0)
Special service agreements	4 228	3 799	5 345	1 546	40.7
Total A	368 391	353 903	376 135	22 232	6.3
B. Other Resources					
<i>Travel and fellowships</i>					
Staff missions	8 173	8 123	14 294	6 171	76.0
Third party travel	9 629	18 023	17 323	(700)	(3.9)
Fellowships	2 009	3 752	3 256	(496)	(13.2)
Sub-total travel and fellowships	19 811	29 898	34 873	4 975	16.6
<i>Contractual services</i>					
Conferences	2 883	5 321	4 532	(789)	(14.8)
Expert fees	1 689	2 654	1 626	(1 028)	(38.7)
Publications	1 445	5 865	493	(5 372)	(91.6)
Other	34 789	36 806	44 080	7 274	19.8
Sub Total Contractual Services	40 806	50 646	50 731	85	0.2
<i>Operating expenses</i>					
Premises and maintenance	60 309	64 412	51 829	(12 583)	(19.5)
Communications and other	11 787	7 523	11 170	3 648	48.5
Sub-total Operating Expenses	72 097	71 935	62 999	(8 936)	(12.4)
<i>Equipment and supplies</i>					
Furniture and equipment	3 290	10 409	2 902	(7 507)	(72.1)
Supplies	5 605	8 953	4 276	(4 677)	(52.2)
Sub-total Equipment Supplies	8 896	19 362	7 178	(12 184)	(62.9)
<i>Construction</i>					
	1 232		699	699	
Total B	142 842	171 840	156 480	(15 360)	(8.9)
C. Not Allocated		5 257		(5 257)	(100)
Actual Expenditure	511 233	531 000	532 615	1 615	0.3

Source: WIPO Financial Management Report 2006-2007 (document WO/PBC.13/2),

* It includes 17,5 million Swiss francs from the 6 per cent allocations to provisions for personnel expenditures during the biennium. The 6 per cent are dedicated to cover the long-term financial obligations of the organization (...) See page 16 of Financial Report for 2006-2007.

ANNEX 6: BUDGET EXPENDITURE REPORT FOR THE 2006-2007 BIENNIUM

Programs (in thousands of Swiss francs)	Initial Budget 2006-2007	Adjusted budget after transfer and flexibility resources	Total Expenditure (Disbursements and ULOs)	Utilization Rate vs.		Allocation to reflect provisions for ASHI*	EXPENDITURE including 6% allocation to provisions*	Utilization Rate including 6% allocation VS.	
				Initial Budget	Adjusted Budget			Initial Budget	Adjusted Budget
1. Public Outreach and Communication	13 280	12 897	12 607	94.9%	97.8%	533	13 140	98.9%	101.9%
2. External Coordination	10 743	11 086	10 871	101.2%	98.1%	285	11 156	103.8%	100.6%
3. Strategic Use of IP for Development	12 347	17 486	16 557	134.1%	94.7%	500	17 057	138.1%	97.5%
4. Use of Copyright in the Digital Environment	2 608	1 343	1 323	50.7%	98.5%	47	1 370	52.5%	102.0%
5. IP and Public Policy	1 608	371	297	18.5%	80.1%	0	297	18.5%	80.1%
Sub-total SG 1	40 586	43 183	41 655	102.6%	96.5%	1 365	43 020	106.0%	99.6%
6. Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs	37 649	35 995	33 966	90.2%	94.4%	1 157	35 123	93.3%	97.6%
7. Certain Countries in Europe and Asia	4 530	4 574	4 399	97.1%	96.2%	207	4 606	101.7%	100.7%
8. Business Modernization of IP Institutions	4 843	4 651	4 257	87.9%	91.5%	133	4 390	90.6%	94.4%
9. Collective Management of Copyright and Related Rights	2 114	941	899	42.5%	95.5%	0	899	42.5%	95.5%
10. IPR Enforcement	2 966	2 732	2 610	88.0%	95.5%	100	2 710	91.4%	99.2%
11. WIPO Worldwide Academy	14 327	12 609	11 270	78.7%	89.4%	324	11 594	80.9%	92.0%
Sub-total SG 2	66 429	61 502	57 401	86.4%	93.3%	1 921	59 322	89.3%	96.5%
12. Law of Patents	2 996	2 544	2 332	77.8%	91.7%	112	2 444	81.6%	96.1%
13. Law of Trademarks, Industrial Designs and Geographical Indications	4 954	3 692	3 599	72.6%	97.5%	138	3 737	75.4%	101.2%
14. Law of Copyright and Related Rights	5 683	6 719	6 392	112.5%	95.1%	291	6 683	117.6%	99.5%
15. TK, Traditional Cultural Expressions and Genetic Resources	4 649	5 899	5 402	116.2%	91.6%	131	5 533	119.0%	93.8%
Sub-total SG 3	18 282	18 854	17 725	97.0%	94.0%	672	18 397	100.6%	97.6%
16. Administration of the PCT System	144 445	153 116	148 921	103.1%	97.3%	5 713	154 634	107.1%	101.0%
17. PCT Reform	2 301	2 339	2 261	98.3%	96.7%	81	2 342	101.8%	100.1%
18. Madrid, The Hague and Lisbon Registration Systems	41 949	44 962	44 607	106.3%	99.2%	1 664	46 271	110.3%	102.9%
19. Patent Information, Classification and IP Standards	5 459	6 636	6 154	112.7%	92.7%	330	6 484	118.8%	97.7%
20. International Classifications in the Field of Trademarks and Industrial Designs	1 270	843	829	65.3%	98.3%	58	887	69.8%	105.2%
21. Arbitration and Mediation Services and Domain Names Policies and Procedures	6 519	6 825	6 123	93.9%	89.7%	217	6 340	97.3%	92.9%
Sub-total SG 4	201 943	214 721	208 895	103.4%	97.3%	8 063	216 958	107.4%	101.0%
22. Direction and Executive Management	13 977	12 616	12 442	89.0%	98.6%	539	12 981	92.9%	102.9%
23. Budget Control and Resource Mobilization	4 513	5 323	5 289	117.2%	99.4%	202	5 491	121.7%	103.2%
24. Internal Oversight	1 781	1 798	1 627	91.4%	90.5%	73	1 700	95.5%	94.5%
25. Human Resources Management	15 725	16 629	16 051	102.1%	96.5%	740	16 791	106.8%	101.0%
26. Financial Operations	11 265	11 584	11 979	106.3%	103.4%	566	12 545	111.4%	108.3%
27. Information Technology	38 978	42 659	40 352	103.5%	94.6%	1 071	41 423	106.3%	97.1%
28. Conference, Language, Printing and Archives	40 800	41 135	40 054	98.2%	97.4%	1 597	41 651	102.1%	101.3%
29. Premises Management	58 751	54 177	51 840	88.2%	95.7%	389	52 229	88.9%	96.4%
30. Travel and Procurement	8 082	9 098	8 406	104.0%	92.4%	308	8 714	107.8%	95.8%
31. The New Construction	4 631	1 709	1 369	29.6%	80.1%	23	1 392	30.1%	81.5%
Sub-total SG 5	198 503	196 728	189 409	95.4%	96.3%	5 508	194 917	98.2%	99.1%
Total	525 743	534 988	515 085	98.0%	96.3%	17 529	532 614	101.3%	99.6%
Unallocated	5 257	156	0	0.0%	0.0%	0	0	0.0%	0.0%
GRAND TOTAL	531 000	535 144	515 085	97.0%	96.3%	17 529	532 614	100.3%	99.5%

* Allocation to reflect provision corresponding to 6% of biennial staff expenditure, to cover the long-term financial liabilities of the Organization for separation and after-service medical benefits (ASHI).

ANNEX 7: BUDGET UTILIZATION AND VARIATIONS FOR 2006-2007

Programs	Initial Budget 2006-2007	Adjusted budget after transfers and flexibility resources	Initial Personnel	Actual Expenditure Personnel (excluding 6%)	Initial non-personnel	Actual Expenditure non-personnel	Actual Expenditure (excluding 6%)	Variation Initial Budget vs. Adjusted Budget (%)	Variation Personnel Cost Initial Budget vs. Actual Expenditure (%)	Variation Non-Personnel Cost Initial Budget vs. Actual Expenditure (%)	Utilization rate (%) Actual expenditure vs. Initial budget
(in thousands of Swiss francs)											
1. Public Outreach and Communication	13 280	12 897	10 840	10 982	2 440	1 625	12 607	97.1	101.3	66.6	94.9
2. External Coordination	10 743	11 086	7 418	8 184	3 325	2 687	10 871	103.2	110.3	80.8	101.2
3. Strategic Use of IP for Development	12 347	17 486	9 205	11 493	3 142	5 064	16 557	141.6	124.9	161.2	134.1
4. Use of Copyright in the Digital Environment	2 608	1 343	2 358	983	250	340	1 323	51.5	41.7	136.0	50.7
5. IP and Public Policy	1 608	371	1 121	135	487	162	297	23.1	12.0	33.3	18.5
6. Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs	37 649	35 995	22 909	21 983	14 740	11 983	33 966	95.6	96.0	81.3	90.2
7. Certain Countries in Europe and Asia	4 530	4 574	3 266	3 130	1 264	1 269	4 399	101	95.8	100.4	97.1
8. Business Modernization of IP Institutions	4 843	4 651	2 843	2 601	2 000	1 656	4 257	96.0	91.5	82.8	87.9
9. Collective Management of Copyright and Related Rights	2 114	941	1 659	434	455	465	899	44.5	26.2	102.2	42.5
10. IPR Enforcement	2 966	2 732	2 110	1 980	856	630	2 610	92.1	93.8	73.6	88.0
11. WIPO Worldwide Academy	14 327	12 609	7 559	5 918	6 768	5 352	11 270	88.0	78.3	79.1	78.7
12. Law of Patents	2 996	2 544	1 983	1 835	1 013	497	2 332	84.9	92.5	49.1	77.8
13. Law of Trademarks, Industrial Designs and Geographical Indications	4 954	3 692	3 006	1 764	1 948	1 835	3 599	74.5	58.7	94.2	72.6
14. Law of Copyright and Related Rights	5 683	6 719	3 966	5 045	1 717	1 347	6 392	118.2	127.2	78.5	112.5
15. TK, Traditional Cultural Expressions and Genetic Resources	4 649	5 899	2 238	3 378	2 411	2 024	5 402	126.9	150.9	83.9	116.2
16. Administration of the PCT System	144 445	153 116	121 699	117 539	22 776	31 382	148 921	106.0	96.6	137.8	103.1
17. PCT Reform	2 301	2 339	1 831	1 909	470	352	2 261	101.7	104.3	74.9	98.3
18. Madrid, The Hague and Lisbon Registration Systems	41 949	44 962	33 710	37 224	8 239	7 383	44 607	107.2	110.4	89.6	106.3
19. Patent Information, Classification and IP Standards	5 459	6 636	5 028	5 630	431	524	6 154	121.6	112.0	121.6	112.7
20. International Classifications in the Field of Trademarks and Industrial Designs	1 270	843	1 209	750	61	79	829	66.4	62.0	129.5	65.3
21. Arbitration and Mediation Services and Domain Names Policies and Procedures	6 519	6 825	5 148	4 779	1 371	1 344	6 123	104.7	92.8	98.0	93.9
22. Direction and Executive Management	13 977	12 616	12 545	11 737	1 432	705	12 442	90.3	93.6	49.2	89.0
23. Budget Control and Resource Mobilization	4 513	5 323	3 311	3 534	1 202	1 755	5 289	117.9	106.7	146.0	117.2
24. Internal Oversight	1 781	1 798	1 383	1 374	398	253	1 627	101.0	99.3	63.6	91.4
25. Human Resources Management	15 725	16 629	13 069	14 052	2 656	1 999	16 051	105.7	107.5	75.3	102.1
26. Financial Operations	11 265	11 584	10 424	10 907	841	1 072	11 979	102.8	104.6	127.5	106.3
27. Information Technology	38 978	42 659	17 134	20 954	21 844	19 398	40 352	109.4	122.3	88.8	103.5
28. Conference, Language, Printing and Archives	40 800	41 135	30 007	30 349	10 793	9 705	40 054	100.8	101.1	89.9	98.2
29. Premises Management	58 751	54 177	9 171	10 817	49 580	41 023	51 840	92.2	117.9	82.7	88.2
30. Travel and Procurement	8 082	9 098	5 783	6 829	2 299	1 577	8 406	112.6	118.1	68.6	104.0
31. The New Construction	4 631	1 709	0	377	4 631	992	1 369	36.9		21.4	29.6
Total	525 743	534 988	353 933	358 606	171 840	156 479	515 085	101.8	101.3	91.1	98.0
Unallocated	5 257	156		0		0	0				
GRAND TOTAL	531 000	535 144	353 933	358 606	171 840	156 479	515 085	100.8	101.3	91.1	97.0

ANNEX 8: BUDGET AND ACTUALS REPORT FOR POSTS AND HEADCOUNT FOR THE 2006-2007 BIENNIUM³

Program	Initial Approved Program and Budget 2006-2007					Flexibility Posts		As at End December 2007 Actual					Difference				Staff on Board						% of total headcount		
	DG/DDG/ADG*	D	P	G	TOTAL	P	G	DG/DDG/ADG	D	P	G	TOTAL	DG/DDG/ADG	D	P	G	TOTAL	Posts	ST GS	SLC	SSA	Consult.		TOTAL	
1. Public Outreach and Communication	-	1	15	9	25	-	-	-	-	13	11	24	-	(1)	(2)	2	(1)	24	9	-	2	2	37	2.93%	
2. External Coordination	1	2	8	3	14	-	-	-	1	4	8	3	16	-	2	-	-	2	16	1	1	1	-	19	1.51%
3. Strategic Use of IP for Development	-	3	13	6	22	-	-	-	2	18	11	31	-	(1)	5	5	9	29	6	-	1	2	38	3.01%	
4. Use of Copyright in the Digital Environment	-	2	3	-	5	-	-	-	1	1	-	2	-	(1)	(2)	-	(3)	2	1	-	-	-	3	0.24%	
5. IP and Public Policy	-	1	1	-	2	-	-	-	-	1	-	1	-	(1)	-	-	(1)	1	-	-	-	-	1	0.08%	
Total - Strategic Goal One	1	9	40	18	68	-	-	1	7	41	25	74	-	(2)	1	7	6	72	17	1	4	4	98	7.77%	
6. Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs	1	5	28	15	49	-	-	1	5	27	12	45	-	-	(1)	(3)	(4)	44	9	1	-	7	61	4.84%	
7. Certain Countries in Europe and Asia	-	1	5	2	8	-	-	-	-	5	2	7	-	(1)	-	-	(1)	5	1	-	-	-	6	0.48%	
8. Business Modernization of IP Institutions	-	1	4	1	6	-	-	-	1	4	2	7	-	-	-	1	1	7	1	-	-	-	8	0.63%	
9. Collective Management of Copyright and Related Rights	-	-	3	1	4	-	-	-	-	2	1	3	-	-	(1)	-	(1)	3	-	-	-	-	3	0.24%	
10. IPR Enforcement	-	1	4	2	7	-	-	-	1	3	1	5	-	-	(1)	(1)	(2)	4	-	-	-	2	6	0.48%	
11. WIPO Worldwide Academy	-	1	10	6	17	-	-	-	1	7	5	13	-	-	(3)	(1)	(4)	13	1	2	2	1	19	1.51%	
Total - Strategic Goal Two	1	9	54	27	91	-	-	1	8	48	23	80	-	(1)	(6)	(4)	(11)	76	12	3	2	10	103	8.17%	
12. Law of Patents	-	-	3	2	5	-	-	-	-	3	2	5	-	-	-	-	-	5	-	-	1	-	6	0.48%	
13. Law of Trademarks, Industrial Designs and Geographical Indications	-	1	4	3	8	-	-	-	-	3	1	4	-	(1)	(1)	(2)	(4)	4	-	1	-	-	5	0.40%	
14. Law of Copyright and Related Rights	1	1	3	3	8	-	-	1	1	5	2	9	-	-	2	(1)	1	9	2	-	-	1	12	0.95%	
15. TK, Traditional Cultural Expressions and Genetic Resources	-	-	6	-	6	-	-	-	-	5	2	7	-	-	(1)	2	1	6	3	1	-	-	10	0.79%	
Total - Strategic Goal Three	1	2	16	8	27	-	-	1	1	16	7	25	-	(1)	-	(1)	(2)	24	5	2	1	1	33	2.62%	
16. Administration of the PCT System	1	5	125	206	337	14	13	1	1	128	213	343	-	(4)	3	7	6	328	109	-	22	5	464	36.80%	
17. PCT Reform	-	1	2	1	4	-	-	-	1	2	1	4	-	-	-	-	-	4	-	-	-	-	4	0.32%	
18. Madrid, The Hague and Lisbon Registration Systems	1	3	37	59	100	6	7	1	2	40	70	113	-	(1)	3	11	13	106	16	3	24	2	151	11.97%	
19. Patent Information, Classification and IP Standards	-	-	8	7	15	-	-	-	-	10	9	19	-	-	2	2	4	18	-	-	-	1	19	1.51%	
20. International Classifications in the Field of Trademarks and Industrial Designs	-	-	2	1	3	-	-	-	-	1	1	2	-	-	(1)	-	(1)	2	-	-	-	-	2	0.16%	
21. Arbitration and Mediation Services and Domain Names Policies and Procedures	-	-	8	5	13	-	-	-	-	8	5	13	-	-	-	-	-	13	3	9	-	1	26	2.06%	
Total - Strategic Goal Four	2	9	182	279	472	20	20	2	4	189	299	494	-	(5)	7	20	22	471	128	12	46	9	666	52.82%	
22. Direction and Executive Management	2	7	13	4	26	-	-	1	3	17	8	29	(1)	(4)	4	4	3	28	3	-	-	-	31	2.46%	
23. Budget Control and Resource Mobilization	-	1	7	2	10	2	-	-	1	5	3	9	-	-	(2)	1	(1)	7	-	1	-	-	8	0.63%	
24. Internal Oversight	-	1	3	1	5	-	-	-	1	3	-	4	-	-	-	(1)	(1)	2	1	-	1	-	4	0.32%	
25. Human Resources Management	-	1	17	19	37	1	-	-	1	17	20	38	-	-	-	1	1	35	9	-	1	-	45	3.57%	
26. Financial Operations	-	1	8	21	30	1	-	-	1	11	22	34	-	-	3	1	4	31	7	5	1	-	44	3.49%	
27. Information Technology	-	1	33	12	46	1	1	-	1	37	14	52	-	-	4	2	6	48	4	2	-	5	59	4.68%	
28. Conference, Language, Printing and Archives	-	2	31	51	84	-	1	1	-	34	48	83	1	(2)	3	(3)	(1)	82	24	-	1	-	107	8.49%	
29. Premises Management	-	1	7	17	25	-	-	1	1	8	16	26	1	-	1	(1)	1	26	6	-	2	1	35	2.78%	
30. Travel and Procurement	-	-	6	8	14	1	1	-	1	9	12	22	-	1	3	4	8	20	4	1	-	1	26	2.06%	
31. The New Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	2	0.16%	
Total - Strategic Goal Five	2	15	125	135	277	6	3	3	10	141	143	297	1	(5)	16	8	20	279	58	9	7	8	361	28.63%	
Total	7	44	417	467	935	26	23	8	30	435	497	970	1	(14)	18	30	35	922	220	27	60	32	1'261	100.00%	
Unallocated	-	-	-	-	-	-	-	-	13	-	1	14	-	13	-	1	14	-	-	-	-	-	-	0.00%	
GRAND TOTAL	7	44	417	467	935	26	23	8	43	435	498	984	1	(1)	18	31	49	922	220	27	60	32	1'261	100.00%	

* DDG and ADG may have more than one program under their supervision. However, for budgeting purposes, the post each of them occupies is shown under one program only.

** A D2 post has been re-classified at ADG level for the period from December 1, 2006 to November 30, 2009, as per the decision of the Coordination Committee (WO/CC/54/3 Corr., paragraph 77(i)).

[End of document]