

Program and Budget Committee

Seventeenth Session (informal) Geneva, June 27 to July 1, 2011

FINANCIAL SITUATION AS OF END 2010: PRELIMINARY RESULTS

Document prepared by the Secretariat

1. The present document has been prepared with the purpose of providing Member States with background information in relation to agenda item 6 (“Draft Proposed Program and Budget for the 2012/13 Biennium”). The financial tables reproduced in this document contain preliminary end of 2010 figures, which are subject to audit.
2. At the forty-third session of the Assemblies from September 24 to October 3, 2007, the Member States agreed in principle to the adoption by WIPO of IPSAS (International Public Sector Accounting Standards) by 2010 (reference document A/43/5). This agreement formed part of a United Nations system-wide initiative endorsed by the General Assembly (A/RES/60/283(IV)) to replace the existing United Nations Systems Accounting Standards (UNSAS) with IPSAS, which are internationally recognized. Accordingly, WIPO’s financial statements from the year 2010 are prepared in accordance with IPSAS.
3. WIPO’s budget continues to be prepared on a modified accrual basis, in accordance with the Organization’s Financial Regulations and Rules. Differences between the budgetary and IPSAS based actual will be presented and reconciled in the Organization’s financial statements, as required under IPSAS.
4. While WIPO’s budget continues to be adopted by the Assemblies on a biennial basis, the Organization must present financial statements on an annual basis, in compliance with IPSAS. For this purpose, annual budget figures have been approved for both income and expenditure under Annex VIII of the approved Program and Budget for the 2010/11 Biennium (publication number 360E/PB1011). The annual budget figures have been included in all tables on this basis.

5. Table 1 provides an overview of WIPO's preliminary results for the year ended December 31, 2010 on a budgetary basis.

Table 1. Preliminary Results and Financial Parameters for the year ended December 31, 2010 on Budgetary Basis
(in millions of Swiss francs)

	2008/09 Actual	2010/11 Approved Budget	2010 Budget	2010 Preliminary Actual	2010 as % of 2010 Budget
INCOME					
Contributions	34.8	34.8	17.4	17.4	100.0%
Fees					
PCT System	443.6	446.2	219.8	213.6	97.2%
Madrid System	94.8	106.0	52.8	48.4	91.8%
Hague System	5.4	7.4	3.4	3.0	87.0%
Lisbon System	0.0	0.0	0.0	0.0	80.0%
Total Fees	543.8	559.6	276.0	265.0	96.0%
Other Income	28.8	24.2	12.1	10.1	83.2%
TOTAL INCOME	607.4	618.6	305.5	292.5	95.8%
EXPENDITURE					
Personnel Expenditure	396.8	405.4	207.0	198.2	95.7%
Non-Personnel Expenditure	180.0	213.3	106.6	91.2	85.5%
TOTAL EXPENDITURE	576.8	618.6	313.7	289.4	92.3%
SURPLUS/(DEFICIT)	30.6	-	(8.2)	3.1	n/a
REGISTRATION ACTIVITIES					
Number of PCT applications	318,632	333,900	163,800	162,900	99.5%
Number of Madrid Registrations and Renewals	115,616	131,600	65,500	59,482	90.8%
Number of Hague Registration and Renewals	9,103	12,300	5,700	5,009	87.9%

6. Table 2 provides an overview of WIPO's preliminary results and financial parameters, with summary indication of the adjustments required under IPSAS for the presentation of the annual financial statements.

Table 2. Preliminary Results and Financial Parameters for the year ended
December 31, 2010 Including IPSAS Adjustments
(in millions of Swiss francs)

	2008/09 Actual	2010/11 Approved Budget	2010 Preliminary Actual	2010 as % of 2010/11 Budget
1 Income	607.4	618.6	292.5	47.3%
2 Expenditure	576.8	618.6	289.4	46.8%
3 Surplus/(Deficit) (1-2)	30.6	-	3.1	n/a
4 RWCF (opening balance)	203.6	203.6	228.3	n/a
5 Total RWCF before Adjustments (3+4)	234.3	203.6	231.4	n/a
6 Reductions from Reserves:				
<i>Special project expenditure</i>	6.0	n/a	5.8	n/a
<i>IPSAS impact</i>	-	n/a	30.0 *	n/a
Sub-total, Reductions	6.0	n/a	35.8	n/a
7 Total RWCF after Adjustments (5-6)	228.3	203.6	195.6 **	n/a
8 RWCF as percentage of biennial expenditure (7/2)	39.6%	32.9%	31.6%	n/a
9 RWCF Target	117.9	116.8	116.8	n/a
10 RWCF Balance (7-9)	110.4	86.8	78.8	n/a

*IPSAS adjustments for a total of Sfr30 million include Sfr20.0 million adjustment to the 2010 beginning reserve balance, Sfr5.8 million to 2010 income and Sfr4.3 million adjustment to 2010 expenditure.

Appropriations already approved to be funded from Reserves (remaining balance): **Sfr51.5 million

7. The annual budget utilization figures by Program have been presented in Table 3, and Table 4 presents the overview of WIPO employees on board (staff on authorized budget posts, and employees under short-term general service contracts, Special Labor Contracts (SLC), and WIPO Consultancy contracts) as at December 31, 2010.

Table 3. 2010 Expenditure by Program

(in thousands of Swiss francs)

Programs	2010/11 Budget	2010 Budget*	2010 Preliminary Expenditure	Difference	
				Amount	%
1 Patents	3,610	1,819	2,217	397	21.8%
2 Trademarks, Industrial Design & Geographic Indications	3,627	1,846	2,808	963	52.2%
3 Copyright and related rights	12,813	6,544	7,011	467	7.1%
4 Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources	7,159	3,625	2,884	(741)	-20.5%
5 PCT System	183,748	92,644	82,002	(10,642)	-11.5%
6 Madrid, Hague and Lisbon Systems	58,477	29,767	27,359	(2,408)	-8.1%
7 Arbitration, Mediation and Domain Names	10,190	5,127	4,537	(590)	-11.5%
8 Development Agenda Coordination	5,337	2,751	2,156	(595)	-21.6%
9 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	42,178	21,644	15,654	(5,989)	-27.7%
10 Cooperation with Certain Countries in Europe and Asia	4,729	3,139	3,193	54	1.7%
11 The WIPO Academy	6,111	5,153	4,067	(1,086)	-21.1%
12 International Classifications and WIPO IP Standards	10,193	4,332	3,512	(820)	-18.9%
14 Global IP Information Services	8,520	4,021	4,841	820	20.4%
15 IP Office Modernization	7,930	2,453	2,817	365	14.9%
16 Economic Studies, Statistics and Analysis	4,898	1,482	1,664	182	12.3%
17 Building Respect for IP	2,918	1,351	1,304	(46)	-3.4%
18 IP and Global Challenges	2,608	2,759	4,111	1,352	49.0%
19 Communications	5,354	7,960	7,008	(952)	-12.0%
20 External Office and Relations	15,455	5,770	5,114	(656)	-11.4%
21 Executive Management	11,309	7,372	9,065	1,694	23.0%
22 Finance, Budget and Program Management	14,529	8,248	8,386	138	1.7%
23 Human Resource Management and Development	16,305	9,931	10,990	1,059	10.7%
24 Administrative Support Services	19,205	26,862	26,018	(844)	-3.1%
25 Information and Communication Technology	53,303	21,750	21,410	(339)	-1.6%
26 Internal Audit and Oversight	42,597	1,807	1,599	(208)	-11.5%
27 Conference and Language Services	3,565	18,959	17,428	(1,531)	-8.1%
28 Security	37,652	4,884	4,831	(53)	-1.1%
29 New Construction	9,762	4,055	3,178	(877)	-21.6%
30 Small and Medium Size Enterprises	8,109	2,403	2,230	(172)	-7.2%
UN Unallocated	6,446	3,220	-	(3,220)	-100.0%
TOTAL	618,637	313,674	289,395	(24,278)	-7.7%

*The approved 2010 budget amounts to Sfr313.7 million (reference is made to Annex VIII of the PB 2010/11 document)

Table 4. Posts and Employees on Board as at December 31, 2010

Programs	Headcount as of December 2010					
	Posts	Consultants	Short-term staff			Total
			GS/T	SLCs	Sub-total	
1 Patents	8	-	-	-	-	8
2 Trademarks, Industrial Design & Geographic Indications	9	-	1	1	2	11
3 Copyright and related rights	18	1	6	1	7	26
4 Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources	5	1	3	2	5	11
5 The PCT System	303	7	71	-	71	381
6 Madrid, Hague and Lisbon Systems	111	4	16	1	17	132
7 Arbitration, Mediation and Domain Names	16	4	1	18	19	39
8 Development Agenda Coordination	5	2	-	-	-	7
9 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	42	5	8	-	8	55
10 Cooperation with Certain Countries in Europe and Asia	9	2	1	1	2	13
11 The WIPO Academy	9	1	1	1	2	12
12 International Classifications and WIPO IP Standards	14	1	-	1	1	16
14 Global IP Information Services	18	-	1	-	1	19
15 IP Office Modernization	9	-	1	-	1	10
16 Economic Studies, Statistics and Analysis	7	1	-	1	1	9
17 Building Respect for IP	5	1	-	-	-	6
18 IP and Global Challenges	15	6	2	-	2	23
19 Communications	27	1	8	3	11	39
20 External Office and Relations	13	1	3	2	5	19
21 Executive Management	30	6	3	-	3	39
22 Finance, Budget and Program Management	34	-	15	-	15	49
23 Human Resource Management and Development	24	2	10	5	15	41
24 Administrative Support Services	45	2	7	-	7	54
25 Information and Communication Technology	41	4	5	1	6	51
26 Internal Audit and Oversight	4	1	2	-	2	7
27 Conference and Language Services	70	-	9	-	9	79
28 Security	6	1	-	-	-	7
29 New Construction	-	1	-	-	-	1
30 Small and Medium Size Enterprises	8	1	1	1	2	11
UN Unallocated	-	-	-	-	-	-
TOTAL	905*	56	175	39	214	1,175

* Compared to 1,044 authorized posts (see publication 360E/PB1011)