

Program and Budget Committee

Twenty-Fourth Session
Geneva, September 14 to 18, 2015

LIST OF DECISIONS

Document prepared by the Secretariat

AGENDA ITEM 1. OPENING OF THE SESSION

AGENDA ITEM 2. ADOPTION OF THE AGENDA

document WO/PBC/24/1

The Program and Budget Committee adopted the agenda contained in document WO/PBC/24/1 Prov.

AGENDA ITEM 3. REPORT BY THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)

document WO/PBC/24/2

The Program and Budget Committee recommended to the WIPO General Assembly to take note of the Report by the WIPO Independent Advisory Oversight Committee (IAOC) (document WO/PBC/24/2)

- (a) **WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC) MEMBERSHIP ROTATION**

document WO/PBC/24/3

The Program and Budget Committee (PBC):

- (i) *decided to set up an IAOC Selection Panel comprising seven representatives of Member States, in line with paragraphs 18 and 19 of document WO/GA/39/13; and,*

(ii) took note that the Secretariat would subsequently launch an IAOC selection process, as of 2016, in accordance with the provisions contained in document WO/GA/39/13 and the IAOC terms of reference, with a view to the Selection Panel submitting its recommendations at the PBC's September 2016 session.

AGENDA ITEM 4. PROPOSED REVISIONS OF THE TERMS OF REFERENCE OF THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)

document WO/PBC/24/4

The Program and Budget Committee (PBC) recommended to the WIPO General Assembly to approve the proposed revisions of the Terms of Reference of the WIPO Independent Advisory Oversight Committee (IAOC) contained in Annex I of document WO/PBC/24/4.

AGENDA ITEM 5. REPORT BY THE EXTERNAL AUDITOR

document WO/PBC/24/5

The Program and Budget Committee recommended to the General Assembly and other Assemblies of the Member States of WIPO, to take note of the Report by the External Auditor (document WO/PBC/24/5).

AGENDA ITEM 6. ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION (IOD)

document WO/PBC/24/6

The Program and Budget Committee took note of the Annual Report of the Director of the Internal Oversight Division (IOD) (document WO/PBC/24/6).

AGENDA ITEM 7. PROGRESS REPORT ON THE IMPLEMENTATION OF JOINT INSPECTION UNIT (JIU) RECOMMENDATIONS

document WO/PBC/24/7

The Program and Budget Committee (PBC):

- (i) took note of the present report;
- (ii) welcomed and endorsed the Secretariat's assessment of the status of the implementation of recommendations under JIU/REP/2014/8 (Recommendation 2); JIU/REP/2014/6 (Recommendation 3 and 4); JIU/REP/2014/3 (Recommendation 2); JIU/REP/2014/1 (Recommendation 1 and 2); JIU/REP/2012/10 (Recommendation 8); JIU/REP/2011/4 (Recommendation 12); JIU/REP/2011/1 (Recommendation 2); JIU/REP/2010/3 (Recommendation 6 and 8) as set out in the present report; and
- (iii) called on the Secretariat to propose assessments for the open recommendations made by the Joint Inspection Unit (JIU) for Member States' consideration.

AGENDA ITEM 8. ANNUAL FINANCIAL STATEMENTS 2014; STATUS OF THE PAYMENT OF CONTRIBUTIONS AS AT JUNE 30, 2015

- (a) ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS 2014
document WO/PBC/24/8

The Program and Budget Committee (PBC) recommended to the General Assembly and other Assemblies of the Member States of WIPO to approve the Annual Financial Report and Financial Statements 2014 (document WO/PBC/24/8).

- (b) STATUS OF THE PAYMENT OF CONTRIBUTIONS AS AT JUNE 30, 2015
document WO/PBC/24/9

The Program and Budget Committee took note of the Status of the Payment of Contributions as at June 30, 2015 (document WO/PBC/24/9).

AGENDA ITEM 9. ANNUAL REPORT ON HUMAN RESOURCES

document WO/PBC/24/INF.1

AGENDA ITEM 10. PROPOSED PROGRAM AND BUDGET FOR THE 2016/17 BIENNIUM

documents WO/PBC/24/11 and WO/PBC/24/16 Rev.

1. *The Program and Budget Committee (PBC) having completed a comprehensive second reading of the proposed Program and Budget for the 2016/17 Biennium as contained in document WO/PBC/24/11, requested the introduction of the following modifications agreed at its 24th session in a revised version of the proposed Program and Budget for the 2016/17 biennium to be submitted to the 2015 Assemblies:*

- (i) *Changes to the program narratives, including the results frameworks in Programs 3 and 20 and paragraph 33 (in the Financial and Results Overview); and*
- (ii) *Separation of the budgetary presentation of the Madrid and Lisbon Systems, currently under Program 6, implying a split of this Program into two different Programs with each Program having full details of the Results Framework, including a separate set of Expected Results for the Madrid and Lisbon Systems, Budget by Result, and Budget by Object of Expenditure as well as revision of relevant summary tables and annexes.*

2. *The PBC took note that no consensus was reached on the following issues raised by some delegations:*

- (i) *The earmarking of funds for any diplomatic conferences in 2016/17 be conditional on such conferences being open to the full participation of all WIPO Member States (regarding paragraph 20); and*
- (ii) *The need for a revision of the methodology on the allocation of income and expenditure by Unions, including the allocation of miscellaneous income of the Organization. In this regard, the PBC recognized that, this being a cross cutting topic, further work and discussions among the Member States would be needed with the assistance of the WIPO Secretariat.*

3. *The PBC noted the options for financial sustainability of the Lisbon Union, as outlined in document WO/PBC/24/16 Rev. and recommended that the Lisbon Union consider, in accordance with the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, options with a view to addressing the financial sustainability of the budget of the Lisbon Union at the upcoming 32nd session of the Assembly of the Lisbon Union. The PBC requested the Secretariat to provide appropriate support in this regard.*
4. *The PBC recommended that, during the 55th Series of the Assemblies of WIPO Member States, all fee-funded Unions convene before the discussion on the proposed Program and Budget 2016/17 at the 2015 WIPO Assemblies.*
5. *The PBC requested interested Member States to continue consultations on outstanding issues with a view to approving the proposed Program and Budget 2016/17 during the 2015 Assemblies of Member States to the benefit of WIPO and its Member States.*
6. *The PBC, having discussed the issue of new External Offices, decided to refer it to the 2015 General Assembly.*
7. *The PBC recalled its earlier request at its 23rd session for the Secretariat to:*
 - (i) *present to the 25th session of the PBC, concrete proposals to contain the After-Service Health Insurance (ASHI) liability. These proposals may take into consideration, but should not be limited to, the results presented by the Working Group on ASHI established by the High-level Committee on Management (HLCM) of the Chief Executives Board; and*
 - (ii) *continue its efforts to identify and implement further savings and cost-efficiencies and to report, including its quantification, to 25th PBC session, through the Program Performance Report, on the progress made.*

Update on Proposal of Patent Cooperation Treaty (PCT) Working Group Concerning Hedging Strategy for PCT Income

document WO/PBC/24/INF.3

With regard to the recommendation of the PCT Working Group contained in document PCT/WG/8/15, the Program and Budget Committee (PBC) was informed through document WO/PBC/24/INF.3 of several issues regarding the implementation of a hedging strategy for PCT fees. After careful consideration of the issues contained therein, the PBC recommended to the Assembly of the PCT Union:

- (i) *to allow for more time for the Secretariat to further analyze these issues in detail in order to properly assess all the challenges associated with the implementation of such a hedging strategy; and accordingly,*
- (ii) *to postpone its decision with regard to the recommendation quoted above until such analysis has been undertaken.*

AGENDA ITEM 11. REVISED POLICY ON INVESTMENTS

document WO/PBC/24/10

The Program and Budget Committee (PBC) recommended to the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned, to approve the two investment policies (Operating and Core Cash and Strategic Cash) (document WO/PBC/24/10), amended as follows:

(i) Annex I, paragraph 23, 1st sentence to read: Both operating and core cash investments may only be held with institutions with a short-term rating of A-2/P-2 or a long-term rating of A-/A3 or higher.

(ii) Annex II, paragraph 20(b), 1st sentence to read: Investments made by external fund managers may only be held with institutions with a short-term rating of A-2/P-2 or a long-term rating of A-/A3 or higher.

AGENDA ITEM 12. FINAL REPORT ON THE PROJECT TO UPGRADE SAFETY AND SECURITY STANDARDS FOR THE EXISTING WIPO BUILDINGS

document WO/PBC/24/12

The Program and Budget Committee took note of the contents of the Final Report on the Project to Upgrade the Safety and Security Standards for the Existing WIPO Buildings (document WO/PBC/24/12).

AGENDA ITEM 13. PROGRESS REPORT ON THE CONSTRUCTION PROJECTS

See document: WO/PBC/24/13

The Program and Budget Committee deferred the discussion on the final Progress Report on the New Construction Project and New Conference Hall Project to the Assemblies of the Member States of WIPO.

AGENDA ITEM 14. PROGRESS REPORT ON THE IMPLEMENTATION OF A COMPREHENSIVE INTEGRATED ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM IN WIPO

document WO/PBC/24/14

The Program and Budget Committee took note of the Progress Report on the Implementation of a Comprehensive Integrated Enterprise Resource Planning (ERP) System (document WO/PBC/24/14).

AGENDA ITEM 15. FINAL REPORT ON THE INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) CAPITAL INVESTMENT PROJECT

document WO/PBC/24/15

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

- (i) take note of the contents of document WO/PBC/24/15; and*
- (ii) approve the closure of the Information and Communication Technology Capital Investment Project.*

AGENDA ITEM 16. GOVERNANCE AT WIPO

background documents WO/PBC/18/20, WO/PBC/19/26, WO/PBC/21/20 and WO/PBC/23/9.

The Program and Budget Committee (PBC), recognizing the need to address the issue of governance, in accordance with the request of the 54th Assemblies of the Member States of WIPO:

- (i) engaged in active discussions on this subject at both its 23rd and 24th sessions. These resulted in the proposals made during the 23rd session, as reflected in Annexes I and II of document WO/PBC/23/9, and in the Chair's document circulated during the 24th session (attached as Annex I to the present document (WO/PBC/24/17)). While divergences in the views of delegations remained, delegations expressed willingness to continue discussions on this subject;*
- (ii) agreed that discussions continue on the subject of governance at WIPO during the PBC's 25th session in light of recommendation 1 of the JIU's Review of Management and Administration in the World Intellectual Property Organization (MAR) (document JIU/REP/2014/2); and*
- (iii) agreed that Member States would provide proposals for specific topics for discussion in good time prior to the 25th session, and no later than July 1, 2016, and requested the Secretariat to compile these as part of the documentation for that session.*

AGENDA ITEM 17. PROPOSED DEFINITION OF "DEVELOPMENT EXPENDITURE" IN THE CONTEXT OF THE PROGRAM AND BUDGET

background documents WO/GA/43/21 and WO/PBC/23/9.

The Program and Budget Committee (PBC) recommended to the Assemblies of the Member States of WIPO and of the Unions, each as far as it is concerned, to approve the revised definition of development expenditure as contained in Annex II of document WO/PBC/24/17 and requested the Secretariat to:

- (i) Apply the revised definition of development expenditure for the estimation of development expenditure in the draft proposed Program and Budget 2018/19;*
- (ii) Disclose in the "Results Framework and Program and Budget, including Development Share by Results" chart the following additional information:*

The estimated amount of fee reductions as a percentage of total income indicating that fee reductions are granted in accordance with the eligibility criteria for certain applicants from certain countries (primarily, but not limited to, developing and least developed countries) set out in the PCT Schedule of Fees (information to be disclosed in a footnote and in a separate color).

AGENDA ITEM 18. CLOSING OF THE SESSION

[Annexes follows]

PROGRAM AND BUDGET COMMITTEE CHAIR'S PROPOSAL FOR GOVERNANCE

(as at September 18, 2015)

A. The Program and Budget Committee (PBC) recommends to the General Assembly holding two one day long open ended informal sessions, guided by the Chair of the PBC, prior to the 25th PBC session, to address governance issues at WIPO, in line with Recommendation 1 of the 2014 WIPO Joint Inspection Unit (JIU) report. The objective of the informal sessions will be to identify possible topics, such as the management and the number of meetings, governance structure of WIPO and the role of PBC and Coordination Committee (CoCo), and to help prepare formal discussions at the 25th PBC session. The Secretariat will help compile Member States' contributions on this topic to facilitate such debate.

B. The PBC recommends to the General Assembly the adoption of the following measures, without prejudice to the existing WIPO rules of procedure, to increase the efficiency and effectiveness of WIPO governance and WIPO meetings:

- Meetings should strive to end in a timely manner. Only in exceptional cases, as necessary to obtain a satisfactory result, should meetings be extended beyond the normal working hours, preferably no later than 7 p.m.
- Avoid overlap of official meetings and avoid, if possible, holding consecutive meetings of various committees unless there is a clear connection between them.
- Secretariat should continue its efforts to post working documents in all official languages two months prior to meetings in order to allow delegations sufficient time to analyze and consult on them.
- Increase the early nomination of Chairs and Vice-Chairs in a transparent manner, if possible, before the opening of the Committee session.
- When proposing a calendar of official meetings, the Director General should primarily take into account the expected workload and pay attention to the average number of official meeting days of the last five years and, if possible, avoid increasing that number.
- Reduce, when possible, the customary duration of WIPO committees, taking into account the committees' agenda. This will not affect committees whose duration is specified by the General Assembly.

The PBC requests Secretariat to inform Member States of the results obtained with the implementation of such measures (point B) at the next PBC session. The PBC will then evaluate these measures and decide upon its continuation or modification.

[Annex II follows]

REVISED DEFINITION OF “DEVELOPMENT EXPENDITURE” FOR ACCOUNTING PURPOSES

Expenditure is qualified as “*development expenditure*” when it is used to finance development-oriented activities provided by WIPO to developing countries and Least Developed Countries (LDCs) and the equivalent expenditure is not provided to developed countries. Consistent with past practice, countries with economies in transition are included for the purpose of the Program and Budget. In addition, the development activities financed by WIPO are those that are considered to contribute to:

- Enabling developing countries to derive benefits from the IP system, and to better protect inventions and creations around the world; and,
- Reducing the knowledge gap between developed and developing countries by facilitating developing country access to knowledge and supporting their engagement in innovating, producing, using and absorbing technologies, new forms of expressions and creativity.

It is understood that the following activities are considered to contribute towards achieving the above impact:

- development of national intellectual property strategies, policies and plans in developing countries;
- development of national (and where relevant regional) legislative, regulatory and policy frameworks that promote a balanced IP system (including related research);
- support for the engagement of developing countries in global and regional decision-making and dialogue on IP;
- building modern state-of-the-art national IP administrative infrastructure;
- support-systems for users of the IP system in developing countries;
- training and human capacity building for developing countries;
- promotion of innovation and creativity, technology transfer and access to knowledge and technologies in developing countries (including related research).

It is understood that the expenditure under strategic goals relating to efficient administrative and financial support structure to enable WIPO to deliver its programs and a responsive communications interface between WIPO, its Member States and all stakeholders are excluded in the calculation of development expenditure for accounting purposes though some contributes to development activities.

[End of Annex II and of document]