

Program and Budget Committee

Thirty-Second Session
Geneva, July 12 to 16, 2021

FINANCIAL SITUATION AS OF END 2020: PRELIMINARY RESULTS

prepared by the Secretariat

1. The current document provides the preliminary end of 2020 figures, which are subject to audit and will be reported on formally at the September 2021 session of the Program and Budget Committee (PBC) as audited financial statements for 2020.
2. The document is intended to provide Member States with background information in relation to the Draft Proposed Program and Budget for the 2022/23 Biennium.
3. It is recalled that, since 2010, WIPO's financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) whilst the Organization's budget has continued to be prepared on a modified accrual basis ("budgetary basis"), in accordance with the Organization's Financial Regulations and Rules. Tables presented below show both income and expenditure on a modified accrual basis, together with their corresponding IPSAS adjustments, where indicated.
4. *The Program and Budget Committee (PBC) took note of the contents of the document (WO/PBC/32/INF/1).*

[Preliminary Overview of WIPO's
Financial Performance in 2020 follows]

Preliminary Overview of WIPO's Financial Performance in 2020 (Unaudited)

1. Table 1 provides preliminary results and financial parameters as of end 2020¹.

Table 1. Preliminary Results and Financial Parameters as at end of 2020
(in millions of Swiss francs)

Key Financials	As at end December 2020		
	2020/21 Program & Budget	2020 Actuals	2020 Actuals compared to Program & Budget
INCOME			
Income on accrual basis			
Fees			
PCT	665.6	358.6	54%
Madrid	162.0	76.2	47%
Hague	12.6	6.7	53%
Lisbon ¹	0.1	0.0	13%
<i>Sub-total</i>	<i>840.3</i>	<i>441.4</i>	<i>53%</i>
Income on a modified accrual basis			
Contributions (unitary)	34.8	17.5	50%
Arbitration	3.3	2.1	63%
Publications	0.8	0.5	65%
Miscellaneous Income	3.4	1.4	42%
<i>Sub-total</i>	<i>42.2</i>	<i>21.5</i>	<i>51%</i>
IPSAS adj. to Income on a modified accrual basis	0.3	0.1	22%
Total Income after IPSAS adjustments	882.8	463.0	52.4%
EXPENDITURE			
Personnel Expenditure	475.9	214.4	45%
Non-Personnel Expenditure	292.5	113.5	39%
Total Expenditure (budgetary basis)	768.4	327.9	43%
IPSAS adjustments to Expenditure	18.5	24.1	130%
Total Expenditure after IPSAS adjustments	786.9	352.0	45%
Operating Result	95.8	111.0	n/a
Reserve expenditure			
Reserve expenditure	36.7 ²	10.2	28%
IPSAS adjustments to Reserve expd.	(17.3)	(1.7)	n/a
Reserve expenditure after IPSAS adjustments	19.3	8.6	n/a
Investment gains/(losses)			
Investment gains/(losses) ³	(1.7)	33.4	n/a
Overall Result⁴	74.8	135.9	n/a

¹ Lisbon fee income (in thousands of Swiss francs)

50.0

6.6

² Budget for 2020/21.

³ The investment gains/(losses) estimate in the 2020/21 Program & Budget of -1,687,500 Swiss francs was related to the Organization's short-term cash balances (operating cash) with the application of the forecast for Swiss interest rates.

⁴ 2020 Overall Result excludes Special Accounts.

¹ Figures in tables may not add up due to rounding.

2. Table 2 presents figures on the levels of registration activities undertaken under the PCT, Madrid and the Hague Systems.

Table 2. Estimates vs. Actuals Demand for Services under the PCT, Madrid and the Hague Systems in 2020

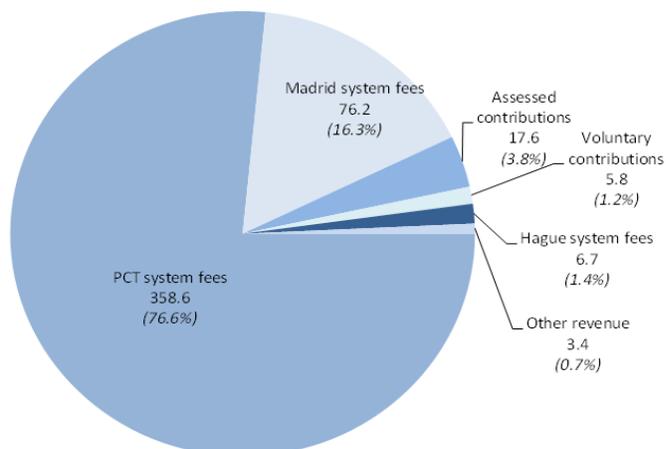
As at end December 2020

Registration Systems	2020/21 Program & Budget	2020 Actuals ¹	2020 Actuals compared to Estimates
PCT System			
IAs Filed	549,900	275,900	50%
Madrid System			
Applications	136,000	63,800	47%
Registrations	131,700	62,062	47%
Renewals	68,575	32,731	48%
<i>Sub-total Registrations & Renewals</i>	<i>200,275</i>	<i>94,793</i>	<i>47%</i>
Hague System			
Applications	15,340	5,792	38%
Registrations	12,268	6,795	55%
Renewals	8,050	4,759	59%
<i>Sub-total Registrations & Renewals</i>	<i>20,318</i>	<i>11,554</i>	<i>57%</i>

¹ 2020 Actuals as per the Chief Economist.

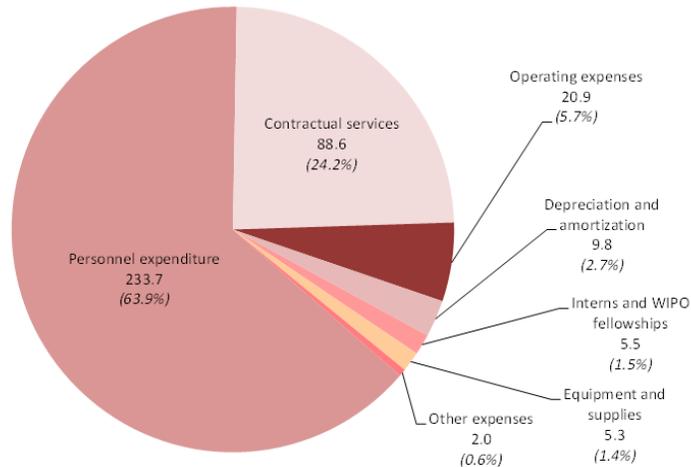
3. Chart 1 provides information on the breakdown of WIPO's income on an IPSAS basis in 2020.

Chart 1: Income by Type in 2020
(in millions of Swiss francs)



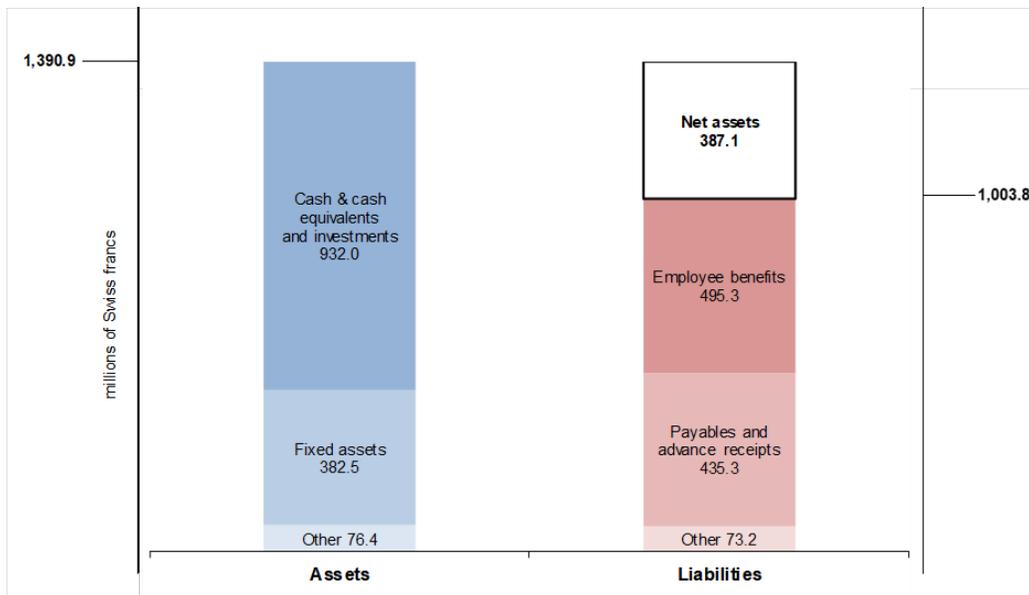
4. Chart 2 provides information on the breakdown of expenditure on an IPSAS basis by type in 2020.

Chart 2: Expenditure by Type in 2020
(in millions of Swiss francs)



5. Chart 3 provides information on the total assets, total liabilities and net assets (Reserves) of the Organization at the end of 2020.

Chart 3: Total Assets, Total Liabilities and Net Assets at end of 2020
(in millions of Swiss francs)



6. Table 3 presents budget utilization figures by Program for 2020.

Table 3. Budget vs. Expenditure by Program in 2020
(in thousands of Swiss francs)

As at end December 2020

Programs	2020/21 Program & Budget	2020/21 Budget after Transfers	2020 Expenditure ¹	Budget Utilization ²
1 Patent Law	6,177	5,921	1,927	33%
2 Trademarks, Industrial Designs and Geographical	5,418	5,868	1,967	34%
3 Copyright and Related Rights	17,287	20,017	7,959	40%
4 Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources	7,280	7,421	2,558	34%
5 The PCT System	222,079	221,764	98,755	45%
6 Madrid System	62,551	60,581	26,781	44%
7 WIPO Arbitration and Mediation Center	12,924	13,554	5,476	40%
8 Development Agenda Coordination	3,774	4,119	1,279	31%
9 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	29,562	28,894	11,600	40%
10 Transition and Developed Countries	9,021	9,281	3,651	39%
11 The WIPO Academy	13,402	13,652	5,981	44%
12 International Classifications and Standards	7,345	7,426	3,088	42%
13 Global Databases	10,969	11,806	5,110	43%
14 Services for Access to Information and Knowledge	7,862	7,239	3,510	48%
15 Business Solutions for IP Offices	14,695	12,298	5,272	43%
16 Economics and Statistics	7,667	8,056	3,682	46%
17 Building Respect for IP	4,781	4,747	1,857	39%
18 IP and Global Challenges	5,008	5,081	2,425	48%
19 Communications	16,834	17,036	7,184	42%
20 External Relations, Partnerships and External Offices	15,303	15,616	5,838	37%
21 Executive Management	26,915	27,698	11,695	42%
22 Program and Resource Management	40,617	41,187	16,306	40%
23 Human Resources Management and Development	26,863	27,890	12,311	44%
24 General Support Services	40,207	39,691	16,529	42%
25 Information and Communication Technology	50,468	53,661	26,826	50%
26 Internal Oversight	5,191	5,283	2,356	45%
27 Conference and Language Services	37,484	36,658	14,669	40%
28 Information Assurance, Safety and Security	24,810	25,205	11,022	44%
30 SMEs and Entrepreneurship Support	6,566	6,196	2,400	39%
31 The Hague System	13,214	15,067	7,219	48%
32 Lisbon System	1,420	1,415	650	46%
Unallocated	14,707	8,074	-	-
TOTAL	768,401	768,401	327,881	43%

¹2020 Expenditure refers to actual expenditure pre-IPSAS adjustments.

²Budget Utilization reflects 2020 expenditure as compared to the 2020/21 Budget after Transfers.

Note: The 2020/21 Budget after Transfers reflect the adjusted budgets of Programs as at December 31, 2020, in line with Financial Regulation 5.5.

7. Table 4 provides the 2020 preliminary results by Unions (Contribution-financed Union, PCT Union, Hague Union and Lisbon Union).

Table 4. Results by Union in 2020
(in millions of Swiss francs)

As at end December 2020

	Unions					
	CF	PCT	Madrid	Hague	Lisbon	Total
Income	18,074	359,640	77,756	7,274	194	462,937
IPSAS adjustments to Income	59	-	-	-	-	59
Income after IPSAS adjustments	18,132	359,640	77,756	7,274	194	462,996
Expenditure (Budgetary)	17,729	228,054	64,450	16,267	1,380	327,881
IPSAS adjustments to Expenditure	1,297	16,820	4,719	1,186	101	24,123
Expenditure after IPSAS adjustments	19,027	244,874	69,170	17,452	1,481	352,004
Operating Result	(894)	114,766	8,586	(10,178)	(1,287)	110,992
Miscellaneous revenue for projects financed from Reserves	8	8	8	8	8	42
Reserve Expenditure	106	8,343	957	855	-	10,261
IPSAS adjustments to Reserve Expenditure	(38)	(1,471)	(160)	-	-	(1,668)
Reserve Expenditure after IPSAS adjustments	68	6,872	797	855	-	8,592
Investment gains/(losses)	1,745	27,499	4,185	-	-	33,429
Overall Result	791	135,401	11,982	(11,025)	(1,279)	135,871

Note: The methodology for the allocation of income and expenditure by Union is described in Annex III of the Program and Budget 2020/21.

8. Table 5 provides an outlook for the 2020/21 biennium taking into account the financial results for the year ended December 31, 2020.

Table 5. Current Financial Outlook for 2020/21
(in millions of Swiss francs)

As of end December 2020

	2020/21 Program & Budget	2020/21 Outlook			Outlook as % of Budget
		2020 Actuals (Unaudited)	2021 Forecast ¹	Total	
Income	882.5	462.9	467.5	930.4	105%
IPSAS adjust. to Income	0.3	0.1	0.1	0.2	
Expenditure (budgetary)	768.4	327.9	353.3	681.2	89%
IPSAS adjust. to expenditure	(18.5)	(24.1)	(8.5)	(32.6)	
Operating Result	95.8	111.0	105.8	216.8	n/a
Reserve expenditure		10.2	16.3	26.5	
IPSAS adjust. to Reserve expd.		(1.7)	(2.7)	(4.3)	
Investment gains/(losses)	(1.7)	33.4	(0.8)	32.6	
Overall Result	94.2	135.9	91.3	227.2	n/a

¹ 2021 forecast: (i) Income fee estimates for the PCT, Madrid and the Hague Systems as per the April 2021 Forecast by the Chief Economist. All other income for the second year of the biennium is estimated based on the annual budgets reflected in Annex VII of the Program and Budget 2020/21; (ii) Expenditure for the second year of the biennium is estimated based on the annual budgets reflected in Annex VII of the Program and Budget 2020/21 and expenditure patterns in the first year of the biennium; (iii) IPSAS adjustments to regular budget are estimated based on Table 1 of the Program and Budget 2020/21; (iv) Reserve expenditure reflects the 2021 forecasted expenditure on approved Capital Master Plan projects; (v) IPSAS adjustments to Reserve expenditure has been pro-rated based on 2020 Actuals; and (vi) Investment gains/(losses) are estimated based on Table 2 of the Program and Budget 2020/21.

Chart 4: Income, Expenditure and Operating Result for 2020/21
(in millions of Swiss francs)

