

## Q&A [Update]

### WPR 2020

**Q. In terms of increased costs, we note increased costs for dealing with Covid-19 including cleaning and disinfection products and these are understandable. We would like to ask for the breakdown of costs and reasoning for various initiatives as part of Program 23, for example the staff lunch allowances, and would like to seek clarification how these contribute towards the expected results IX.1 or IX.2 of program 23.**

The increase in costs relating to the management of COVID-19 were needed to ensure that, even in the midst of the lock-down, we continued to provide the necessary support services to our staff and external stakeholders (ER IX.1) as well as ensure the continued smooth functioning of the Secretariat (ER IX.2). It should be noted, for example, that there continued to be meetings, albeit in a hybrid format. Details of these costs are as follows:

- The recruitment of an additional medical doctor, a nurse and an administrative assistant in the medical unit (0.4 million Swiss francs) to support the provision of inclusive medical care, support and guidance to WIPO staff and Delegates; and
- The provision of COVID-related allowances for PPE, lab testing, and lunch allowances for a limited period of time when the WIPO canteen and restaurants were closed due to the lock-down. These lunch allowances were not provided to all staff but only to those essential staff who continued to work on-site during the lock-down.

**Q. We are pleased to see record use of the WIPO Arbitration and Mediation Centre in 2020. We would be interested in causes of the growth. Is this caused by growing awareness or better understanding of the benefits as opposed to other courses of action?**

For mediation and arbitration, the growth in 2020 has been driven by two main factors: (i) increased visibility notably through an extensive WIPO Center webinar program; and (ii) an increase in non-contractual disputes, including through referrals from judicial bodies. With regards to domain name dispute resolution, the primary reason for the growth in 2020 has been a shift by brand owners to online platforms as a result of the pandemic, driving the need for enforcement in the Domain Name System. It is noted that these trends have continued in the first six months of 2021.

**Q. Why has the budget after transfers for ER II.9 increased for Programs 9, 10 and 20?**

The P&B is prepared well in advance of the start of a new biennium and is based on a high level planning of Program Activities and a set of assumptions. For Programs 9, 10 and 20, the budgeted amounts for ER II.9 were 71K CHF, 10K CHF and 25K CHF respectively. The

approved P&B is then operationalized through the annual workplanning process, where more detailed estimations, of in particular personnel resources, allocated to an activity is carried out. For Programs 9, 10 and 20, the budget after transfer amounted to 386K CHF, 332K CHF and 282K CHF respectively. The actual expenditure reflects actual implementation. For the three Programs the actual expenditure in 2020 for ER II.9 was 89K CHF, 34K CHF and 100K CHF respectively i.e. far lower than the budget after transfers.

There has been no transfers of resources into Programs 9, 10 and 20 to support the implementation of ER II.9. The increase reflected in the budget after transfers reflects a reallocation of personnel resources within these Programs to ER II.9. It should be noted that this reallocation has had no adverse impact on the promotion of PCT, Madrid and the Hague, for which the budget after transfers for 2020/21, across the Organization has increased by 4.5%.

## WIPO Proof

**Q. We understand that the footnote on page 12 suggests the discontinuation of WIPO Proof. In 2019, WIPO had estimated an investment of 1.3 mil CHF for setting up WIPO Proof. How much of this budget will have been spent when the tool is discontinued in early 2022?**

The non-personnel expenses for WIPO PROOF in 2019 amounted to: 475,000 CHF, in 2020: 702,000 CHF and in 2021: 646,000 CHF (estimated). Total: 1,823,000 CHF. Of this total, the amounts spent in 2019 and 2020 correspond to the initial 1.3M estimated for the establishment of the service.

**Q. How many users have used the tool until now? How many tokens have been issued so far by WIPO? How much is this result below the estimates that WIPO had made in 2019 in terms of performance indicators?**

In the first year of operation, 1,123 unique users purchased just over 3,000 tokens through the WIPO PROOF service. A study of the market potential conducted at the beginning of 2019 predicted a potential demand of up to 100,000 tokens during the initial 12 months, with projections of up to 1 million tokens per year eventually. To get to this target would require a step change in the level of resources required for marketing the service in an increasingly competitive environment.

**Q. Has WIPO conducted recently a market research on similar services already available from the private sector providers in all geographical areas? One of the main justifications for the launch of WIPO Proof was that WIPO could supplement existing timestamping services in the market, particularly covering those countries where no such service is available. What has changed in this respect in the past 2 years?**

WIPO has continuously monitored the market in the 3 years since the initial feasibility studies were done. Large corporations have accelerated their efforts to insource similar capabilities, restricting the anticipated market for high-volume users. At the same time, the increased accessibility of blockchain and other technologies have stimulated the creation of numerous new competing services (over 20 in the last 2 years). This, coupled with a hard-nosed assessment that private sector operators are in a better position to scale up such services, led to our decision regarding WIPO PROOF at the end of 2021.

## Program of Work and Budget

### Results and Financial Overview

**Q. Can you provide more details as regards the 26<sup>1</sup> (23) million Swiss francs increase in contractual services, including for IT platforms and digitalization?**

- Translation refers to the increase for PCT translation amounting to 5 million Swiss francs

#### *IT platforms and digitalization*

- Enhancements to the DL platform to support the increased number of courses and the change to a skills-based approach: increase of 1 million Swiss francs
- Operational support for the WIPO IP Portal and other IT applications: increase of 4.4 million Swiss francs
- UNICC services (PCT, Global Databases, and refresh of infrastructure): increase of 3.1 million Swiss francs
- IT projects (strengthening data security and privacy controls and standardization of third party architectures): increase of 2.7 million Swiss francs
- Establishment of a central IT Solution Design Delivery Service to provide technical support to ABC, WIPO GREEN, WIPO Lex and WIPO Re:Search: increase of 1.5 million Swiss francs
- Deployment of WIPO Connect targeting 28 CMOs for 56 Creation Classes: increase of 2.4 million Swiss francs

#### *COVID-19 response*

- Pursuant to the decision by Member States, the Secretariat is proposing to increase resources for WIPO's response to COVID-19 under Expected Results 2.2, 2.4, 3.1, 3.3, 4.3 and 4.4, by a total of 3 million Swiss francs

**Q. Can you please provide the breakdown of the amount in Unallocated?**

- The Unallocated included provisions for the following:
  - Non-personnel resources:
    - 2 million Swiss francs for two potential Diplomatic Conferences
    - 1.6 million Swiss francs for the potential opening of four External Offices (400,000 Swiss francs per office)
    - 1 million Swiss francs for the implementation of the Language Policy Phase I following approval by Member States
  - Personnel Resources:
    - 2 million Swiss francs for overtime
    - 4 million Swiss francs for reclassifications
    - 1.3 million Swiss francs for 6 posts for young professionals

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<sup>1</sup> Figures throughout the Q&A have been updated according to the Proposed Program of Work and Budget (WO/PBC/33/10). The figures and related calculations indicated in parenthesis refer to the Q&A published during PBC 32 and were based on the Draft Proposed Program of Work and Budget (WO/PBC/32/4).

**Q. Can you please provide more information with regards to WIPO's COVID related services and support?**

WIPO, through the proposed Program of Work and Budget, is committed to continue to assist Member States as they address the pandemic and plan for the post-COVID-19 recovery. Recognizing that innovation and creativity will play a key role to build back inclusively and sustainably, WIPO has developed a package of services and measures designed to support Member States in addressing the COVID-19 pandemic, as well as laying the foundations for post COVID economic recovery efforts. The Focal Point on WIPO's Package of COVID-19 support is Mr. Sherif Saadallah, Executive Director of the WIPO Academy

At the same time, WIPO will continue its trilateral cooperation with the World Health Organization and World Trade Organization. The trio of agencies will step up efforts on COVID-related technical assistance and capacity building initiatives.

More information may be found on the WIPO website: <https://www.wipo.int/covid-19/en/>

Please also refer to the Director General's opening statement: [https://www.wipo.int/pressroom/en/articles/2021/article\\_0007.html](https://www.wipo.int/pressroom/en/articles/2021/article_0007.html).

**Q. Why do we have budgets assigned to Expected Results (ERs) but no associated Key Performance Indicator(s)?**

In the context of refocusing Organizational priorities and further strengthening the results-based management approach at WIPO, a simpler and streamlined strategic framework has been established. One of the key elements of this streamlining process has been the review of the Key Performance Indicators with the objectives to (i) focus on the key achievements that the Organization targets in the next biennium; and (ii) reduce the number of KPIs to improve the focus and have a more "direct read" of the key priorities. As a result of this exercise, some of the Sector contributions to the ERs are not reflected in the Key Performance Indicators included in the Program of Work and Budget.

It should be noted that the Key Performance Indicators in the proposed Program and Work and Budget for 2022/23 measure performance of activities representing 98.5% (98%) of the total budget. The contributions to ERs that do not have related KPIs represent only 11.9 (17) million Swiss francs, or 1.5% (2%) of the total budget of 793.8 (790.8) million Swiss francs.

**Q. Why does the RND budget under the Strategic pillar 1 priority "Efficient and effective interface with stakeholders globally, and proactive engagement and representation of HQ at various events and fora" only concern External Offices (EOs)? What about countries or regions that are not covered by any WIPO EO?**

One of the primary functions of the External Offices is to act as the service and communications interface for stakeholders in the country/region they serve. In this context, the activities planned under ER 1.1 related to the EOs include the development and dissemination of country and stakeholder-specific content and information and coordination of promotional activities.

It should be noted that all communications and service delivery by EOs are done in collaboration with HQ to ensure a seamless approach dovetailed with Organizational strategies and priorities. Countries that not covered by the network of EOs are covered by

WIPO's central communications and outreach activities. In addition, the RND Sector leverages opportunities to communicate and build awareness on IP in the context of the extensive suite of technical assistance and capacity building activities which are included in the proposed program of work. These activities are captured under Strategic Pillar 4.

**Q. Why does the RND budget mentioned under the priorities for Strategic Pillar 1 not equal the total Sector budget allocated to ER 1.1 in Table 5? Will the difference be allocated for Regional Divisions' activities in conjunction with ER 1.1?**

The objective of the summary of priorities section is to provide a deeper view of the main priorities under the four strategic pillars and the foundation. This view is not an exhaustive list of activities. As a result, the amounts associated with the Expected Result at the Sector level and the priorities under each Strategic Pillar do not necessarily correspond one to one.

**Q. Why does RND not contribute to ER 2.2?**

The main activities under ER 2.2 refer to centrally coordinated work relating to emerging issues and policy challenges at the global level, and work performed in relation to the normative agenda to which RND does not contribute. It is noted that the activities related to and work undertaken in the context of the CDIP are captured under ER 4.1.

**Q. With regards to ER 4.1, why don't CCI and PT share a Cross-Sector Performance Indicator with RND?**

The KPI in RND related to ER 4.1: "No. of national, sub-regional, and regional projects, including those implemented through partnership frameworks, that have achieved their expected benefits or completed important milestones" could be introduced as a cross-organizational KPI in CCI and PT.

- The work in CCI contributing to this expected result relates to supporting a more effective use of the copyright ecosystem. To this end, the KPI would therefore measure the impact of such projects.
- The work in PT contributing to this expected result relates to the work of the PCT International Cooperation Division with developing and least developed countries, and countries in transition. To this end, the KPI would therefore measure the impact of such activities.

**Q. Can you provide a comparison of development expenditure by Sector for 2022/23 vs the P&B 2020/21?**

The table below provides a comparison of development expenditure by Sector for 2022/23 vs 2020/21 as per the Revised Program of Work and Budget, Annex XI of document WO/PBC/33/10.

**Comparison of Development Expenditure by Sector 2022/23 vs 2020/21**  
(in thousands of Swiss francs)

Sector	2022/23 Proposed Budget			2020/21 Program & Budget			2022/23 vs 2020/21 P&B		
	Proposed Budget	DA Projects	Total w/DA Projects	Approved Budget	DA Projects	Total w/DA Projects	Budget	DA Projects	Total w/DA Projects
Patents and Technology	9,473	-	9,473	10,531	-	10,531	(1,058)	-	(1,058)
Brands and Designs	10,563	355	10,918	10,361	355	10,716	202	-	202
Copyright and Creative Industries	19,214	1,195	20,409	14,453	359	14,812	4,761	836	5,597
Regional and National Development	65,171	365	65,536	60,593	261	60,854	4,579	104	4,683
Infrastructure and Platforms	14,451	-	14,451	16,982	-	16,982	(2,531)	-	(2,531)
Global Challenges and Partnerships	13,461	-	13,461	11,853	-	11,853	1,609	-	1,609
IP and Innovation Ecosystems	15,106	489	15,596	12,712	205	12,917	2,394	284	2,678
Administration, Finance and Management	469	-	469	1,348	-	1,348	(879)	-	(879)
<b>TOTAL</b>	<b>147,909</b>	<b>2,404</b>	<b>150,312</b>	<b>138,832</b>	<b>1,180</b>	<b>140,012</b>	<b>9,076</b>	<b>1,224</b>	<b>10,300</b>
<b>Development Expenditure as % of total budget</b>			<b>18.9%</b>			<b>18.2%</b>			<b>0.7%</b>

The main drivers for the variances by Sector are changes in the structure of the Secretariat and reflecting the WIPO Medium Term Strategic Plan 2022-26, as follows:

**PTS:** Transfer of the Inventor Assistance Program and the patent drafting program from PT to IE Sector following internal re-organization.

**CCI:** Transfer of WIPO Connect from IP to CCI Sector and new DA project: Promoting the use of IP in Developing countries (CI) and provision for the Publishers Circle program.

**RND:** Increase in participants in DL courses, redirection of DL courses, provision for external review of the EOs and potential UNSDG contribution, expansion of joint Masters Program and national IPTI network.

**IP:** Transfer of WIPO Connect to CCI Sector.

**GCP:** Increase in resources for WIPO Green, WIPO Re:Search, IP & Global Health, IP & Competition Policy, provision for Youth Engagement and COVID-19 response.

**IE:** Transfer of the Inventor Assistance Program and the patent drafting program from PT to IE Sector following internal re-organization, additional resources to support IP Management, IP Finance and Patent Analytics; new DA project Systematization of statistical data, design implementation of a methodology for assessments on the use of the IP system and COVID-19 response.

**AFM:** Transfer of the WIPO Judicial Institute from the Office of the Legal Counsel to the IE Sector.

**Q. Can you provide the breakdown of the Development Expenditure by Sector and by ER?**

The table has been included in the Revised Program of Work and Budget, in Annex XI of document WO/PBC/33/10.

**Q. Could you provide a table that breaks down the promotion costs by system for Expected Result 3.1?**

The table below provides a breakdown of the promotion costs by system for Expected Result 3.1, per the revised Program of Work and Budget, Annex X of document WO/PBC/33/10.

*(in thousands of Swiss francs)*

ER 3.1 "Wider and more effective use of WIPO's global IP systems, services, knowledge and data"	2022/23 Proposed Budget
Patents and Technology	3,067
Brands and Designs	
Madrid	10,161
Hague	2,438
Lisbon	724
Regional and National Development	
PCT	2,020
Madrid	1,975
Hague	1,676
Lisbon	126
<b>TOTAL</b>	<b>22,188</b>

**Patents and Technology Sector**

**Q. Following the emphasis on attracting young talent and unlike in other sectors, we note that there is no allocation of internships. Is there a specific reason for that?**

The Patents and Technology Sector traditionally are running extensive fellowship rather than internship programs. This is because fellowships are usually for a longer duration, as compared to internships, which is more appropriate for this Sector, given the technical nature of the work. That said, young talent will continue to be attracted to the Sector through the fellowship programs already in place in PCT Information Systems, Translation and Operations Divisions. In 2022/23, a new fellowship program will be introduced in the Patent and Technology Law Division, to provide assistance with SCP related work and support the provision of legislative advice to Member States.

**Brands and Designs Sector**

**Q. There is a 720% increase in contractual services for publishing. Please could we have further information on this significant increase?**

This increase is incorrectly reflected due to a misclassification in the cost categories of an amount of 129,000 Swiss francs in "Publishing" instead of "Contractual Services". This will be corrected in the revised version of the Program of Work and Budget. The actual increase for Publishing in 2022/23 as compared to 2020/21 is nominal (+15,000 Swiss francs), which reflects an increased focus on marketing and promotion campaigns for the Hague System.

## **Copyright and Creative Industries Sector**

**Q. Internship costs have gone up 470.3% in the copyright and creative industries sector. How many interns will this cover? Moreover, operating expenses have increased by 566.7% and supplies and materials by 275%. Could we have further information on these increases?**

The increases as compared to the P&B 2020/21 are due to the following drivers:

- In 2020/21, there was one internship planned in the CCI Sector for the biennium. In 2022/23, 4 internships have been planned for, two in the Copyright Law Division and two in the Copyright Development Division;
- The increase in operating expenses is due to the transfer of responsibilities of WIPO Connect from the Global Databases Division to the Copyright and Creative Industries Sector, amounting to 0.6 million Swiss francs; and
- Supplies and materials amount to 60,000 Swiss francs to support the WIPO Global Awards Program.

**Q. We encourage the “distribution of inspirational content”. We would like to understand specifics of what “inspirational content” means and how this will be distributed to reach the envisaged target audiences.**

WIPO’s media content has traditionally been centred around the technical aspects of IP, and focused on WIPO’s activities. But as we now need to make everyone, everywhere feel that IP is relevant to their lives, going ahead our content needs to highlight how IP is connected to everyday activities. Some examples of this new way of engaging with a broader audience can be seen in our Twitter feed, where in the past few months we have moved to a short-form story-telling format where we highlight the impact of IP to real persons e.g. entrepreneurs, and explain how it is helped them to grow their business, create jobs etc. We are also planning longer-form content, leveraging on our WIPO Media Studio, that would be suitable for distribution on platforms like our YouTube channel.

The platforms to distribute this content will primarily be in social media, given its reach amongst our target audience and interactive quality. Right now, we are on Facebook, YouTube, Linked-In and Twitter, and we intend to move into other social media platforms as well. Each of these platforms have their own unique characteristics, and the content will be tailored to specific platforms to reach specific audiences e.g. the audience for Linked-In would tend to be professionals, specialists and experts, whereas for Twitter, it would tend to be for the general public.

**Q. To which ER and KPI do the activities related to creative industries primarily contribute to?**

The activities on creative industries primarily contributes to ER 4.3. The related KPI reads: “Level of satisfaction of participants with WIPO training and skills development programs”.



**Q. Which ER does the Publishers Circle program contribute to? What is the related KPI?**

The Publishers Circle program contributes to ER 4.2. As this is a relatively new program, which is still in its pilot phase, impact related KPIs will be designed after the conclusion of the pilot.

**Q. On E.R 4.4, we see WIPO Connect and ABC as KPIs, why there is no KPIs on WIPO for Creators?**

WIPO for Creators is a brand new program, which is still in its launching phase. Impact related KPIs will be designed during the biennium for possible inclusion in the subsequent P&B.

**Q. Is the 8 million allocated under E.R 1.1 is only for digital outreach related to content for websites, published works, virtual exhibitions and the IP Day Campaign?**

In addition to digital outreach (including through websites, published works, virtual exhibitions and IP Day Campaign), the 8 million Swiss francs includes the dissemination of information through the WIPO Knowledge Center.

**Q. Why doesn't CCI have a baseline for the KPI under E.R 4.3?**

The KPI "Level of satisfaction of participants with WIPO training and skills development programs" is a new indicator for CCI and therefore has no baseline. The target is not dependent on a baseline to assess progress.

**Regional and National Development Sector**

**Q. Why is there no KPI related to the work program under E.R 3.3?**

The activities in RND under ER 3.3 primarily relate to the work of the External Offices for the promotion of WIPO's platforms, tools and databases. The related KPIs in GCP read: (i) No. of matches between green technology seekers and providers via the WIPO GREEN platform and through Acceleration Projects; and (ii) No. of WIPO Re:Search R&D collaborations advancing through clinical R&D phases.

Both of these KPIs could be introduced as cross-organizational KPIs in RND measuring the contribution of the EOs.

## **Global Challenges and Partnerships Sector**

**Q. We observe that while the baseline for the level of satisfaction of participants in WIPO training and skills development programs and training and capacity building activities related to GRs, TK and TCEs was 95% and 90% respectively, the target is now  $\geq 85\%$ . We would appreciate any explanation of this decrease in ambition.**

Within the context of refocusing Organizational priorities and further strengthening the results-based management approach, a simpler and streamlined strategic framework has been established. Two of the components of this streamlining has been: (i) to review the measurements of success into 77 Key Performance Indicators (versus 240 in 2020/21); and (ii) take a more harmonized approach towards target setting for Cross-Organizational Performance indicators. The level of satisfaction of participants in WIPO training and skills development programs and training and capacity building activities at “ $\geq 85\%$  satisfied or very satisfied” has been defined as a threshold level for the Organization. Given the adjustments to these programs to focus on impact and the related redesign of our capacity building activities towards skills-based training, we would prefer to use a target that is still high but a tad more modest for this biennium.

**Q. Similarly, the number of NGO observers does not change between the baseline and target. Why is this the case?**

As part of the work in connection with External Relations for the next biennium, an extensive activity is being conducted in order to review and remove inactive NGOs from the permanent accredited observer list. This exercise is being undertaken so as to ensure that the interaction with NGOs remains effective in support of global goals to which IP can contribute. In this context, a prudent approach has been taken, setting a target maintain the same number of accredited NGO observers, even after the completion of the review exercise. That said, beyond numbers what is key is the increased engagement of NGOs with our work, and as such, we have increased the target for NGO engagements from 12 to 20.

## **IP and Innovation Ecosystems Sector**

**Q. Can you provide additional information regarding projects that will be aimed at supporting small and medium-sized enterprises to enhance their potential to manage IP and to assess IP assets?**

The proposal of Program of Work and Budget is constructed at a strategic level. In this context, some initiatives have been highlighted in the implementation strategies for the IP and Innovation Ecosystem Sector, including for example: the creation of business IT tools, assisting national Intellectual Property offices in building services to help SMEs in a given jurisdiction, assisting capacity building activities at a national level, and assisting governments to include Intellectual Property in economic development plans in the specific field of IP for business. Following the approval of the Program of Work and Budget, the strategic initiatives will be cascaded into specific projects in the annual workplans for the Sector, which in turn will be demand-driven and defined based on needs expressed by Member States.

## **Administration, Finance and Management Sector**

### **Q. Why are the IPSAS adjustments to expenditure so high?**

Most of the figure shown, CHF 58.3m, relates to the adjustment made to reflect the growth in the ASHI liability (CHF 41.8m). The second largest element relates to the depreciation of buildings (CHF 17.16m).

With regard to ASHI, WIPO changed actuaries in 2019 and this adjustment is based upon the forecasts calculated by our 'new' actuary, AON Hewitt. AON have a different approach to the Organization's former actuary with regard to some of the assumptions that underlie the calculations of long-term employee liabilities. Most notably, for ASHI, AON aim to reflect future medical costs rather than the cost of future insurance premium payments in their calculations. On an average, as staff age, their medical costs exceed the insurance payments paid in their respect. The AON approach endeavours to reflect this 'excess' over the cost of insurance. Several other agencies have also engaged AON Hewitt as their actuaries and are therefore applying the same approach.

### **Q. Is the 8% provision for ASHI designed to provide funding for the ASHI liability and is it sufficient?**

The 8% reflects the continued practice (which started in the biennium 2004/05) of charging the budget with a certain percentage in order to build up a provision which is first available to cover certain elements of staff costs which arise in respect of long-term employee benefits. 8% represents the amount included in the 2020/21 budget also. The 8% is used to cover the Organization's share of health insurance payments in respect of retirees and also the costs of repatriation and accumulated annual leave which fall due during the year for staff leaving the Organization. Any amount remaining from the 8% at year end is added to the Strategic Cash funds and is invested in order to provide financing for long-term employee benefit liabilities. The remaining balance available for funding obviously varies between years according to the percentage originally charged and the level of payments made during the year. By way of example, in 2019 when the percentage was 6%, the amount remaining available for investment was CHF 6.6 million whilst for 2020, with 8%, the equivalent figure was CHF 10.1 million.

With the rates of increase in the liability that have occurred over the last few years and the increases which are forecast, the balance remaining from the percentage charged has been and will continue to be insufficient to finance the liability's growth. With this in mind and in response to a recommendation received from the External Auditor in respect of the 2020 external audit, WIPO intends to propose a plan to Member States for the financing of long-term employee liabilities. This will be done in 2022 on the basis of an Assets and Liability Management study to be commissioned which will update the assessment of the extent to which assets and liabilities are matched with regard to ASHI. The study will facilitate the establishment of a target level for earmarked funds which would then be discussed with Member States at the Program and Budget Committee.

As at the end of 2020, the percentage of the total long-term employee benefits liability which was financed was 43.4%. In 2019, the equivalent percentage was 54.5%, following the investment of a lump sum of CHF 38.3 million which had been approved earlier in the year by Member States as an additional injection of funds to the Strategic Cash pool. The decline in the percentage covered over one year reflects the increase in the liability during 2020.

In the meantime, having been actively involved with the ASHI Working Group for several years and in ASHI-related discussions within the Finance and Budget Network, the secretariat continues to monitor developments across the UN system with regard to this

subject. This is particularly the case in respect of the analysis of measures which were proposed by the ASHI Working Group as possible ways of containing the growth of ASHI liabilities.

## **Annexes**

### **Annex IV**

**Q. Why does the table in Annex IV, page 74 have IPSAS adjustments to income on a cash basis with each Union getting 24,000 CHF, given that the IPSAS numbers on page 73 are very different?**

The IPSAS adjustments referred to in the table on page 73 represent IPSAS adjustments to expenditure. The IPSAS adjustments referred to in the table on page 74 represent IPSAS adjustments to income. As fee income is estimated on an accrual basis, the IPSAS adjustment is already included in the fee income estimates. The IPSAS adjustment to income on a cash basis amounts to a total of 118,550 Swiss francs and concerns the recognition of deferred revenue for Security Perimeter construction work financed by FIPOI (FIPOI financed the security perimeter construction work for an amount of approximately 4 million Swiss francs with a useful life of 50 years).

**Q. We note that in 2008, the tables in Annex IV: Allocation of income and Expenditure by Union, included the Reserve Working Capital Fund (RWCF) balances at the end of the prior biennium. The RWCF is one of the factors determining whether the Union has the capacity to pay. Why is the estimated RWCF balance at the end of 2021 not included in the table at the bottom of page 73?**

The elements, which are required for the calculation of the capacity to pay for the allocation of expenditure by Union for the 2022/23 budget, include the net assets as at end 2020. They are not included in the draft proposed Program of Work and Budget as the Annual Financial Statements for 2020 was still being audited at the time of preparing the Program of Work and Budget. As far as the Revised Program and Budget for 2008/09 is concerned, it was prepared at a much later stage than usual due to the change of the WIPO leadership. At the time of the preparation of the P&B, the Annual Financial Statements were available.

## UNSDG Membership

**Q. The United Nations began the Resident Coordinator system only in 2019, and a review of the system was underway. This review might lead to changes in how the system operates. Depending on the results of the review, some of these potential changes might influence the overall approach to the system. What are the recommendations from the review? A Member State pointed out at the PBC32 meeting that the RC system was reviewed in 2019. It is considered necessary for WIPO to confirm how the RC system is currently being operated. Have you checked results of the review?**

Review of the functioning of the resident coordinator system: rising to the challenge and keeping the promise of the 2030 Agenda for Sustainable Development (A/75/905) was released on 7 June 2021.

**Link to full document:** <https://digitallibrary.un.org/record/3930790?ln=en>

The Secretary General of the United Nations briefed Member States on the Resident Coordinator System Review Report and [delivered remarks on the 7th of June 2021](#).

The report provides a review with recommendations on the functioning of the reinvigorated resident coordinator system, including its funding arrangements. **In the report the Secretary General requested the United Nations General Assembly to:**

*“(a) Decide to fund the resident coordinator system through the regular budget or, as an alternative, to update the current hybrid funding model to ensure it generates predictable, sustainable and adequate funding by:*

- (i) Maintaining the present cost-sharing arrangements;*
- (ii) Maintaining the 1 per cent levy on tightly earmarked voluntary funding, to be paid at the source;*
- (iii) Ensuring that the remainder of the resident coordinator system budget is allocated from the regular budget of the United Nations;*

*(b) Reinforce the arrangements set out in resolution 72/279, particularly as they relate to the dual accountability model to strengthen the contribution of the United Nations development system for the advancement of the Sustainable Development Goals, and encourage all United Nations entities and their governing bodies to take further action to ensure greater adherence moving forward;*

*(c) Urge full implementation by Member States and United Nations entities of commitments made in the funding compact, including the reduction of highly earmarked voluntary funding contributions to United Nations entities, and increasing the level of contributions to joint funds, including the Joint Sustainable Development Goals Fund;*

*(d) Consider repurposing and recalibrating the United Nations Pledging Conference for Development Activities, which will take place alongside the operational activities for development segment of the Economic and Social Council, to serve as a platform for mobilizing higher quality funding of the United Nations development system in line with the funding compact;*

*(e) Encourage the United Nations development system to gradually transition its response to the socioeconomic impacts of the COVID-19 crisis to advance sustainable, inclusive and resilient recovery efforts that accelerate national priorities for Sustainable Development Goal*

*implementation, in line with Assembly resolution 75/233, leveraging in particular the integrator function of UNDP for the provision by United Nations country teams of integrated policy and programming support to implement the United Nations Sustainable Development Cooperation Framework.”*

The report is included for discussion at the Seventy-fifth session Agenda item 25 Operational activities for development: operational activities for development of the United Nations system.

**Q. How is the levy and the levy payment calculated for single year or multi-year agreement? What will be the procedure for payment of the 1% coordination levy on voluntary contributions, e.g., calculation of the coordination levy, timing of payment and unit of payment (per project or total amount)?**

**Example of how the levy and levy payment schedule are calculated by the DCO**

All earmarked agreements indicate the amount of the contribution, whether single year or multi-year, from the donor to the UN entity's program. And then the levy will be calculated as 1% of this amount. So, to take a simple example, a donor decides to contribute 100,000 CHF to the program of a UN entity. This 100,000 CHF will include a cost recovery component (to fund the indirect costs of the UN entity) and a direct cost component. The coordination levy for this agreement is 1,000 CHF, which is 1% of the contribution of 100,000 CHF (direct cost + indirect cost applied to the direct cost amount). The total amount of the agreement – contribution to the UN entity and the coordination levy – is 101,000 CHF.

Note that the levy is computed as additional to the entire contribution amount; this also implies that indirect cost recovery rates apply to the direct costs of the program/project only; they do not apply to the levy amount, which is added after direct and indirect program costs are finalized.

Ideally, the agreement will include a payment schedule specifying when the levy will be made and the installments, if not paid all at once. The payment of the levy can be combined in the same bank transfer as the payment of the contribution so long as the bank transfer instructions provide the breakdown.

Using the example above of an agreement for 101,000 CHF, where implementation takes place over two years, the donor may wish to pay the levy up front or split into two annual installments

Where the levy is paid in installments, the payment schedule could look like the following.

Validity period of agreement: 1 Jan 2019 to 31 Dec 2020

First installment to be paid on 31 Jan 2019: 50,500 CHF (of which 500 CHF represents the levy) Second installment to be paid on 31 Jan 2020: 50,500 CHF (of which 500 CHF represents the levy)

Source: [Coordination Levy Frequently Asked Questions](#)

**Q. Please provide information on the balance between the advantages of using the Resident Coordinator system and the impact of a 1 per cent coordination levy? What accomplishments have UN agencies that have already joined the UNSDG made as members of UNSDG? Please let us know if there are any particular accomplishments in cooperation among UN agencies. How have UN agencies that are already members of the UNSDG applied the Resident Coordinator (RC) system in their work? Could you give us some case studies?**

As previously reported in document WO/PBC/32/5, all resources, including all contributions to the UNSDG cost-sharing, are considered as co-mingled core resources to fund the RC system and its operations. This includes the 1 per cent levy and hence there is no direct way to link the results of the Resident Coordinator system to the levy, on its own, in order to extract advantages of using the system and the impact of the 1 per cent levy. DCO reported that the levy had contributed over \$40 million to the overall funding of the resident coordinator system in 2020 and is projected to amount to \$50 million, or 22 per cent of the total projected 2021 income for DCO.

In the report on the [Review of the functioning of the resident coordinator system: rising to the challenge and keeping the promise of the 2030 Agenda for Sustainable Development \(A/75/905\)](#), the Secretary General provided results of the Resident Coordinator System.

These results were from independent surveys of program country Governments, United Nations entities and resident coordinators administered by the Department of Social and Economic Affairs in late 2019 and late 2020, as well as internal reviews carried out by the Development Coordination Office, surveys and analysis by United Nations development system entities, an advisory body of work by the Office of Internal Oversight Services and other internal and external assessments.

The following is a **direct extract** of the surveys and relevant information gathered from other UN agencies and the resident coordinators that was reported by the Secretary General of the United Nations.

### ***Engagement of United Nations entities that lack physical presence in a country***

The report includes the following examples as to how the resident coordinators have secured greater engagement of United Nations entities that lack physical presence in a country.

- *“In the case of the International Organization for Migration (IOM), resident coordinators have played a vital role in strengthening the system-wide response of the United Nations to migration.”*
- *“Resident coordinators played a key role in supporting UNFPA engagement within United Nations country teams and with Governments to advance the implementation of the Program of Action of the International Conference on Population and Development, ahead of the Nairobi Summit to commemorate the 25-year anniversary of the Conference”*
- *“In the area of gender equality, 60 per cent of UN-Women country representatives report increased ability to engage on normative issues and women’s rights agendas with resident coordinators.”*
- *“More than 50 networks at the country level have been established and launched under the United Nations Network on Migration and embedded within the United Nations country teams, with resident coordinators taking on both chair and co-chair*

*roles alongside IOM and using their leadership to mobilize the respective parts of the United Nations system.”*

- *“The resident coordinator system has also worked closely with the Office of the Secretary-General’s Envoy on Youth on a United Nations country team information and policy support package to advance the implementation of the United Nations Youth Strategy. United Nations country teams in Bangladesh, Costa Rica, Ethiopia, Ghana, Jordan, Morocco, the Niger, Sierra Leone, Uganda and Uzbekistan, under the leadership of resident coordinators, are piloting the roll-out of the strategy and will field-test and fine-tune its implementation.”*
- *“Resident coordinators have facilitated the engagement of the International Telecommunication Union (ITU) with countries to roll out a service offering digital transformation across all regions, from Latin America and the Caribbean, where ITU is also working with the multi-country office based in Trinidad and Tobago, to Asia and the Pacific.”*
- *“In Europe and Central Asia and Africa, and with the guidance of the Development Coordination Office Regional Director for Africa, ITU is now the coconvener of an opportunity/issue-based coalition to leverage emerging technologies and drive digital transitions for inclusive growth in Africa. Entities such as UNEP have reported that the resident coordinator system is leading to better connection between their research and normative work on critical cross-cutting issues and work by operational entities at the country level.”*
- *“Through the support of resident coordinators for the Program for Country Partnership of the United Nations Industrial Development Organization (UNIDO) in Cambodia, Egypt and Zambia, United Nations entities, Governments, international financial institutions and donors are now working together to increase industrialization and socioeconomic interventions and opportunities, including in support of the efforts of Cambodia and Zambia to graduate from least developed country status.”*

### **Survey undertaken by United Nations Office of Internal Oversight Services on the Resident Coordinator system**

#### ***Impact of the United Nations Sustainable Development Cooperation Framework on United Nations country team coordination***

On the question of whether the United Nations Sustainable Development Cooperation Framework had improved, had no effect on or worsened United Nations country team coordination since the reform of the resident coordinator system on 1 January 2019 the following was reported:

- The results showed a difference of opinion between resident coordinators and country teams as follows:
  - Relating to the Cooperation Framework process, UN agencies country teams (652 responses) provided the following responses; 53.6 per cent noted that it had improved, 43.5 per cent indicated that it had had no effect and 2.9 per cent reporting that it had worsened
  - On the similar question, Resident Coordinators (61 responses) had a more positive response with 78.8 per cent reporting improvements, 21.2 per cent reporting no effect and 0 per cent reporting that it had worsened.



### **Improving policy support to Governments**

On the question of whether the Resident Coordinator System had improved, had no effect or worsened the country team policy dialogue and advice to Governments since the reform of the resident coordinator following was reported:

- The results also showed a difference of opinion between resident coordinators and the UN country teams as follows:
  - Relating to dialogue and policy advice to Governments, UN agencies country teams (832 responses) provided the following responses; 54.8 per cent noted that it had improved, 39.4 per cent indicated that it had had no effect and 5.8 per cent reporting that it had worsened
  - On the similar question, Resident Coordinators (85 responses) had a more positive response with 83.2 per cent reporting improvements, 15.0 per cent reporting no effect and 1.9% per cent reporting that it had worsened.

### **Implementation of Joint Programs**

The reform of the resident coordinator system has had more mixed results with regard to the implementation of joint programs, resident coordinators are more likely than United Nations country team members to give a positive assessment of the impact of reform on delivering more coordinated and integrated support implementation.

Some examples provided of the contribution in practice that the Secretary General of the United Nations attributed to the Resident coordinator system are as follows:

- **Mobilizing partners to connect with, increase the skills of and empower youth.**
  - *“In line with the United Nations Youth Strategy, Generation Unlimited – public-private partnership that includes youth, involving a range of United Nations entities and initiated by UNICEF – is currently active in more than 47 countries, bringing together the public and private sectors with youth to scale up impactful initiatives, with the aim of reaching young people in more than 100 countries by 2025.”*
  - *“In Kenya, for example, where the Generation Unlimited steering committee is now housed in the Office of the President, under the leadership of the Resident Coordinator, the entire United Nations system is providing technical support to the Government to operationalize ‘GenU Kenya’.”*
  - *“Connectivity is one of GenU Kenya’s priorities, and partners are working with ITU to mobilize private and public funding to connect schools to the Internet under the Giga initiative.”*
  - *“Other key programs include offering mentorship and community service-learning through the new digitized secondary-level competency-based curriculum and the Youth Agency Marketplace (YOMA) digital platform, which is currently linked to the Sustainable Development Goals Partnerships Platform, the Sustainable Development Goal Accelerator Labs and the Ajira Centers (housed at the Ministry of Information, Communications and Technology, Innovation and Youth Affairs).”*
- **Supporting a green transition**
  - *“In Uruguay, the Resident Coordinator led United Nations entities (UNDP, UNICEF, WHO, UN-Women and IOM) in their collaboration with the Government and the private sector to develop the needed capacities, legal and regulatory frameworks and new financial instruments to decarbonize the economy.”*

- *“In Serbia, the Resident Coordinator seized the opportunity offered by a public push for environmental action, identified a number of areas for joint or coordinated United Nations country team actions and led advocacy and partnership efforts that resulted in a close working relationship with the Government to fast-track decarbonization while strengthening the economy through new skills, new jobs and new market opportunities.”*
- **Tackling poverty and leaving no one behind**
  - *“In Timor-Leste, the United Nations leveraged its full capacities to facilitate the introduction by the Government of the first-ever nationwide cash transfer of \$200 per household. The leadership, coordination and convening role of the Resident Coordinator, the technical capacities of the International Labour Organization (ILO) and support from United Nations entities, including UN-Women, and the availability of resources through the COVID-19 response and recovery multi-partner trust fund combined to make this program possible.”*

### **Survey undertaken by UN agencies on Resident Coordinator leadership, authority and impartiality**

The surveys on the resident coordinator leadership, authority and impartiality taken by UN agencies showed the following results:

- *“About 75 per cent of United Nations Sustainable Development Group entities recognize reporting obligations to the resident coordinator for planning and program implementation.”*
- *“Almost 50 per cent of the respondents to a 2021 survey conducted by the United Nations Children’s Fund (UNICEF) of its country representatives reported an improvement in the Resident Coordinator’s strategic engagement with the resident coordinators and an increase in resident coordinator ability to facilitate dialogue between the United Nations country team and the national Government.”*
- *“United Nations Population Fund (UNFPA) country offices have reported that their ability to mobilize resources, partner with stakeholders, implement programs and engage on normative issues have all improved since 2019, in line with increases in the ability of resident coordinators and resident coordinator offices to facilitate inter-agency work.”*
- *“United Nations Entity for Gender Equality and Women’s Empowerment (UN-Women) in 2020 revealed that a significant majority of its country offices noted an increased ability by resident coordinators and resident coordinator offices to facilitate inter-agency work (67 per cent) and increased support to their entity’s work and mandate (62 per cent).”*
- *“The Food and Agriculture Organization of the United Nations (FAO) country representatives consider the neutral broker role of the resident coordinator essential to overcoming inter-agency competition and overlap with regard to joint resource mobilization”*

**Q. Please provide case examples of other United Nations organizations using the Resident Coordinator system on the impact of 1 per cent levy.**

United Nations agencies who are part of the UNSDG have been reporting to Member States through their governing/legislative bodies and ECOSOC on the impact of the 1 per cent levy since it was established under an Agenda Item titled: *Implementation of General Assembly resolution 72/279 on the repositioning of the United Nations development system.*

These reports have been published publicly and a selection of them can be found in the below links:

**ILO**

**2021 Update:**

Link to full document: [https://www.ilo.org/gb/GBSessions/GB341/ins/WCMS\\_771267/lang-en/index.htm](https://www.ilo.org/gb/GBSessions/GB341/ins/WCMS_771267/lang-en/index.htm)

**Specific quotation on the 1% Levy:** *“While considerable progress has been made in establishing the new resident coordinator system, questions remain about the long-term sustainability of the voluntary funding arrangement of the system. In the current environment of extremely tight budgets and subdued funding prospects, UN Member States continue to focus their attention on potential efficiency savings and are eager to see evidence that these are materializing. However, early efficiency savings are not yielding readily available funds for the resident coordinator system. Also, the receipts from the imposition of the 1 per cent levy on earmarked funding to agencies will fall below early projections. The UN Secretary-General and Deputy Secretary-General continue to rally existing and new donors to provide the needed funds for the system, and 43 countries contributed in 2020. However, last year, there was a budget gap of approximately US\$72 million relative to the original budget of US\$281 million. The cost-sharing formula for UN agency contributions was reviewed within the UNSDG and agreement was reached on a new arrangement for agency contributions from 2021. As the main elements of the formula were retained, it is not expected that the ILO’s contribution will change significantly from its current level of US\$4.4 million per year. A more comprehensive review of the overall hybrid funding model for the resident coordinator system will take place in 2021.”*

**2019 Update:**

Link to full document: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_674844.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_674844.pdf)

**Specific quotation on the 1% Levy:** *“Resolution 72/279 called for three sources of funding to cover the budget of the UN resident coordinator system of US\$281 million annually: (1) a doubling of the contributions from individual entities under the cost-sharing mechanism; (2) voluntary contributions by Member States to a dedicated trust fund; and (3) a 1 per cent levy on tightly earmarked third party non-core contributions to individual UN entities. At its 334th Session (October– November 2018), the Governing Body approved the doubling of the ILO’s cost-sharing contribution to the resident coordinator system for 2019 that was requested in the UN General Assembly resolution of all participating UN development system entities. This brought the total ILO contribution for the year to US\$4.35 million. The Director-General’s Program and Budget Proposals for 2020–21 include a provision to maintain this higher level of contribution. A new cost-sharing formula is under discussion and will include additional organizations that have joined the UN development system as full members. It is not known at this time what impact this will have on the requested contribution from the ILO after 2019. It is important to note that in December 2018, the UN Administrative and*

*Budgetary Committee approved the UN Secretariat's share of US\$13.6 million for 2019 for the first time since the cost-sharing mechanism was put in place in 2014.*

*As of publication of this document, voluntary contributions from Member States for the resident coordinator system for 2019 stood at US\$120 million. The cost-sharing contributions from UN development system entities will contribute about US\$77 million, while the 1 per cent levy is expected to generate US\$60–80 million from across the UN development system. The remaining gap is expected to be covered by additional government contributions.*

*While some donors have indicated that they will transfer the 1 per cent levy directly to the UN, others expect UN entities to collect and transfer it. The Office is currently putting in place the required legal, administrative and financial procedures and has begun consulting with donors to amend agreement templates to implement this levy. It should be noted that the levy is due from the donor on top of agreed voluntary contributions to the ILO. The following categories of contributions are excluded from the levy: humanitarian funding, joint UN and pooled thematic funding, national government cost-sharing (domestic funding) and certain types of cooperation among program countries, such as South–South cooperation. Funding from the ILO's Regular Budget Supplementary Account is not subject to the levy, nor is lightly earmarked thematic or outcome-based funding from multiple donors, such as funds to support flagship programs.*

*The amount of the levy resulting from tightly earmarked funding to the ILO is difficult to predict as voluntary funding fluctuates from year to year. In 2018, for example, approvals of voluntary contributions to the ILO stood at US\$307 million. Of this amount, approximately US\$200 million would have been subject to the levy based on the aforementioned criteria, resulting in an additional US\$2 million paid by donors to the UN Resident Coordinator Special Purpose Trust Fund on top of their contributions to ILO projects and programs.”*

## **WHO**

### **2019**

Link to full document: [https://apps.who.int/gb/ebwha/pdf\\_files/WHA72/A72\\_49-en.pdf](https://apps.who.int/gb/ebwha/pdf_files/WHA72/A72_49-en.pdf)

**Specific quotation on the 1% Levy:** *“In adopting General Assembly resolution 72/279, Member States agreed to a 1% levy on all tightly earmarked contributions to UN development-related activities. The levy will not be applied to humanitarian assistance, global vertical funds, global agenda and specialised assistance, contribution from program countries, pooled funds, joint programs, or contributions below US\$ 100 000. The levy is calculated when a new agreement is signed and will be revised if an amendment exceeds 20% of the initial agreement budget on which the original levy calculation was made. The start date for implementation of the levy will be determined by each donor, depending on their specific internal adjustments. The options for the payment of the levy are: “donor administered”, meaning direct payment from the donor to the UN Secretariat; or “agency administered”, in which case WHO will send a separate letter of agreement to donors with a standard “levy clause” for each eligible contribution.*

*The next steps for WHO include:*

- tracking eligible contributions and donor compliance. WHO's role will be to inform donors and transfer the levy to the Special Purpose Trust Fund;*
- consistently reiterating to all its donors that the 1% coordination levy is to be provided in addition to the contribution dedicated to WHO's work; and*
- monitoring the effects of the levy on resource mobilization efforts.”*

## UNFPA

2019

Link to full document: [https://www.unfpa.org/sites/default/files/board-documents/main-document/UNFPA\\_information\\_note\\_on\\_implementation\\_of\\_GA\\_res\\_72-279\\_SRS\\_-\\_FINAL\\_-\\_16Aug19updated.pdf](https://www.unfpa.org/sites/default/files/board-documents/main-document/UNFPA_information_note_on_implementation_of_GA_res_72-279_SRS_-_FINAL_-_16Aug19updated.pdf)

**Specific quotation on the 1% Levy:** *“UNFPA has paid its contribution to the funding of the Resident Coordinator system in a timely manner and operationalized the 1 per cent levy on all tightly earmarked non-core contributions. While almost all donors have opted for the agency-administered option, it is worth to note that the administration and tracking of the levy is process-heavy and therefore not cost-neutral. In close coordination with other UNDS entities, UNFPA monitors and will report on the additional transaction and administration costs associated with the levy to the Executive Board.”*

## UNDP

2021

Link to full document: <https://www.undp.org/sites/g/files/zskgke326/files/Progress%20Update%20on%20Implementation%20of%20GA%20Resolution%20UNDS%20Repositioning-%20EB%20Annual%20session%202021.pdf>

**Specific quotation on the 1% Levy:** *“Overall, it is well recognized that the RCS funding model needs to become sustainable, with the voluntary funding to the Special Purpose Trust Fund (SPTF) for the RCS remaining below its ambition. The ongoing review of the Resident Coordinator system is an opportunity to evaluate the current model, including the effectiveness of the 1% coordination levy. The 2019 UN Board of Auditors Report noted that the costs for administering the levy for UNDP were too high compared to the levy income. Furthermore, the Board’s analysis confirmed that in practice the collection of the levy had reduced funds available for programming, often with funding partners deducting the levy from the initially envisaged contribution amount.”*

2019

Link to full document: <https://www.undp.org/content/dam/undp/library/corporate/Executive%20Board/2019/Annual-session/UNDP%20Information%20Note-Implementation%20of%20GA%20Resolution%2072-279.pdf>

**Specific quotation on the 1% Levy:** *“To facilitate the application of the 1% levy, UNDP country offices have been provided with guidance on the activation and management of the levy, supported by a dedicated help desk and communication strategy. With the implementation of the levy moving forward, UNDP will closely monitor its administrative and transaction costs, as well as the potential impact on funding for development programming. As part of an open and transparent dialogue with its Executive Board, UNDP will regularly share its experiences and lessons with this new practice.”*

## UNICEF

2021 Q1

Link to full document: [https://www.unicef.org/executiveboard/media/3671/file/2021-UNDS-Information\\_note-2021.12.01.15.pdf](https://www.unicef.org/executiveboard/media/3671/file/2021-UNDS-Information_note-2021.12.01.15.pdf)

**Specific quotation on the 1% Levy:** *“UNICEF is continuing to support (i) the new generation of RCs and coordination offices in country settings, (ii) the implementation of the country level chapter of the Management and Accountability Framework (MAF), and (iii) the agreed funding arrangements for the RC system, including through the collection of the 1% levy. In 2020, UNICEF transferred a total of \$5.9 million in levy payments (including payments for the last quarter of 2019 received in January 2020). Additional payments for the last quarter of 2020 will follow at the end of January 2021. As per the UNSDG cost-sharing agreement, it also already contributed \$8.3 million in the final days of 2020 in support of 2021 activities of the RC system.”*

## 2021 Q2

Link to full document: [https://www.unicef.org/executiveboard/media/5381/file/2021\\_AS-UNDS\\_reform-Information\\_note-2021.05.11.pdf](https://www.unicef.org/executiveboard/media/5381/file/2021_AS-UNDS_reform-Information_note-2021.05.11.pdf)

**Specific quotation on the 1% Levy:** *“UNICEF continues to be engaged in processes to enhance funding for the UNDS, including through implementing Funding Compact provisions, engaging in Joint Programs, supporting the Joint SDG Fund as well as funding arrangements for the RC system through the collection of the 1% coordination levy.”*

*“In the first quarter of 2021, UNICEF transferred about USD 890,000 in coordination levy payments to the UN Secretariat, increasing the total cumulative amount paid since 2019 to USD 10.6 million. UNICEF sees the ongoing review of the Resident Coordinator system as an opportunity to evaluate the levy and analyze its efficiency as one of the funding streams for the coordination system.”*

## UNOPS

### 2020

Link to full document: [https://content.unops.org/documents/libraries/executive-board/documents-for-sessions/2020/first-regular-session/update-on-the-implementation-of-general-assembly-resolution-72-279-on-the-repositioning-of-the-united-nations-development-system/en/UNOPS-Information-Note-Implementation-of-GA-Resolution-72\\_279-EB-First-Regular-Session-2020.pdf?mtime=20200131172213&focal=none](https://content.unops.org/documents/libraries/executive-board/documents-for-sessions/2020/first-regular-session/update-on-the-implementation-of-general-assembly-resolution-72-279-on-the-repositioning-of-the-united-nations-development-system/en/UNOPS-Information-Note-Implementation-of-GA-Resolution-72_279-EB-First-Regular-Session-2020.pdf?mtime=20200131172213&focal=none)

**Specific quotation on the 1% Levy:** *“Funding, levy implementation, and cost sharing: As a project-based organization, UNOPS does not receive core funding from Member States and is paid for services rendered. As of January 2020, UNOPS has not signed agreements or received contributions that are subject to the 1% coordination levy in accordance with the operational guidance and its financial regulations and rules adopted by Executive Board decision 2012/5. As part of UNOPS’ commitment to a repositioned United Nations development system, the double cost sharing contribution for 2020 has been paid in full.”*

## UN-Women

### 2020

Link to full document: <https://www.unwomen.org/-/media/headquarters/attachments/sections/executive%20board/2020/annual%20session/docs/18may2020%20unw%20inforonote%20un%20reform%20june2020.pdf?la=en&vs=1027>

**Specific quotation on the 1% Levy:** *“UN-Women commenced collection of the 1 percent coordination levy from donors in the second quarter of 2019 on tightly earmarked*

contributions. Quarterly reports were submitted in a timely manner to UNDCO, with the following funds remitted:

- Q2 2019 - USD \$ 5,558
- Q3 2019 - USD \$ 57,643
- Q4 2019 - USD \$242,912
- Q1 2020 – USD \$ 23,759

For the 1 percent coordination levy, on behalf of UNDCO, UN Women collected \$306,073. UN-Women's initial experience with the implementation of the levy appears to indicate that few donors offset this requirement with equivalent additional contributions.

As advised by the Deputy Secretary-General, UN-Women will complete an impact assessment of the 1 percent coordination levy on donor engagement, and also provide details of UN-Women's transaction costs associated with collection of the 1 percent levy by the second quarter of 2020, after a full year of implementation.”

## WFP

### 2021

Link to full document: [https://executiveboard.wfp.org/ar/document\\_download/WFP-0000127466](https://executiveboard.wfp.org/ar/document_download/WFP-0000127466)

**Specific quotation on the 1% Levy:** “In accordance with the funding model for the resident coordinator system, WFP is implementing the guidance on the 1 percent coordination levy. Thus far in 2021, WFP has transferred USD 127,000 generated from the 1 percent levy to the special purpose trust fund for the resident coordinator system. In most cases donors have elected to allocate 1 percent of their overall contributions to the levy rather than adding 1 percent, thus reducing the amount contributed directly to programming in the field. WFP sees the forthcoming resident coordinator system review as an opportunity to evaluate the 1 percent coordination levy and analyse its efficiency as one of the funding streams for the UNDS.”

### 2018

Link to full document: [https://executiveboard.wfp.org/document\\_download/WFP-0000100123](https://executiveboard.wfp.org/document_download/WFP-0000100123)

**Specific quotation on the 1% Levy:** “A 1 percent coordination levy on tightly earmarked third-party non-core contributions to United Nations development-related activities, to be paid at source, is the second component of the hybrid funding model. A technical note issued by the Secretariat qualified the definition of “tightly earmarked non-core contributions” as “grants earmarked by the contributor(s) to a specific program or project of a specific UN entity.” This excludes humanitarian assistance related activities. At time of writing the specifics of the definition were still under discussion.

WFP has made preliminary estimates of the implications of the levy based on its understanding of the definition. Based on contributions for activities under WFP’s “Root causes” focus area (a development focus area) that meet the definition of tightly earmarked funding for development activities contributions, some USD2.1 million in 2017 and USD1 million in 2018 would have gone towards the levy. This figure would vary from year to year depending on the nature of contributions received.

At the time of writing, it is understood that donors recommend that “at source” collection of the levy be operationalized by United Nations agencies. Operationalization of the levy by WFP will include, among other things, setting up a collection and transfer mechanism for it.

*This will require some system and procedural changes, which will add to transaction and administrative costs that WFP has been working to minimize. In addition, specific provisions will need to be included in contribution agreements with donors regarding the levy's collection, transfer to the Secretariat's RC trust fund and treatment of the levy. Some modifications will have to be made to our corporate enterprise resource planning system to ensure that contributions subject to the levy are appropriately tagged. WFP would also have to provide clear guidance to its country offices to ensure that contribution agreements negotiated at country level with local donors cater appropriately for the levy.*

*WFP remains concerned about the implications of the levy, both in terms of the additional administrative and transactional burden it will place on the organization and the disincentive it can pose to new funding, especially from non-state entities (private sector, foundations, etc.) at a time when WFP is trying to diversify its donor base. We therefore support the Secretary-General's call for non-state entities to be exempted. WFP continues to advocate multilateral, multi-year funding. It would further encourage donors to see the levy as additional to program funds. While WFP welcomes improved and enhanced coordination, it will be important that it not be achieved at the expense of funding for program implementation."*

**Q. Some Member States referred to the use of UNSDG as responses to the Covid-19 pandemic at the PBC32 meeting. Are there any such responses making progress in the UNSDG? If there are any, please let us know.**

**Link to UNSDG Report:** [https://unsdg.un.org/sites/default/files/2021-08/UNSDG\\_DTF\\_Full\\_Report\\_FINAL.pdf](https://unsdg.un.org/sites/default/files/2021-08/UNSDG_DTF_Full_Report_FINAL.pdf)

**Link to UNSDG Report:** <https://unsdg.un.org/2021-unsdg-chair-report/overview>

The UNSDG provided a report for the Delivering Together Facility, which included how the Resident Coordinator System progressed on the COVID response as follows:

*"The COVID-19 pandemic brought disruption and loss of lives and livelihoods, and posed the first stress test to the UN development system since its reforms in 2018. The system rose to the challenge, working together at all levels, with better coordination and enhanced leadership, delivering a strong, integrated response to the health, humanitarian, and socioeconomic impacts of the pandemic. The Delivering Together Facility (DTF) has continued to play an important role at such critical time in support of the activities of the UN Development Coordination Office and inter-agency work, continuing to foster and consolidating its legacy for innovative, normative and policy priorities. 2020 marked the last year of the DTF funding cycle. Since its inception in 2017, the DTF has been an important resource to accelerate the 2030 Agenda and better support countries and UN country teams (UNCTs) in achieving the Sustainable Development Goals (SDGs) through innovation, integrated policy support, thought leadership, cross-UN Charter coherence in crisis and post-crisis countries, and the mainstreaming of human rights to leave no one behind. All these elements rest at the heart of a transformative UN development system."*

*"In 2020, the DTF contributed to the:*

- Roll-out of the new United Nations Sustainable Development Cooperation Framework (or "Cooperation Framework");*
- Redesign and full consolidation of UN INFO as a central coordination platform for information and data management to track and visualize how the UN development system supports governments to deliver on the SDGs;*
- Design and launch of tools and systems to build the Resident Coordinators' leadership;*
- Mainstreaming of human rights on the ground.*



*Over the course of its cycle, the DTF seeded and consolidated the spirit of the UN development system reform—including by setting an example of flexible, pooled funding arrangements. Results on the ground will outlive its lifecycle and will remain visible through a stronger UN development system ready to charge ahead in this Decade of Action.”*

Some case examples listed in the report are as follows:

- *“Integrating human rights into the refugee crisis, development and COVID-19 response in Jordan.*
- *In Ukraine, using data to build synergies across development and humanitarian interventions using the Innovative platforms for tracking and reporting on results: UN INFO”.*
- *“Digital platforms have increased efficiencies on SDG Implementation tracking in Mongolia”.*
- *“Leveraging real-time data to improve planning and accountability in Cabo Verde”.*
- *“The Disaster Impact Visualization Tool: continuing to innovate for Viet Nam’s Disaster Response Decision-Making”.*
- *“Business process redesign for efficient response to national needs in Moldova”.*
- *“Incorporating human rights perspectives in the Cooperation Framework for the Maldives”.*
- *“Building national engagement in Montenegro to leave no one behind”.*
- *“Boosting civil society’s commitment to advancing human rights in Brazil”.*
- *“Promoting shifts in policy and legislation to protect human rights in Nigeria”.*
- *“Supporting joint programming for persons with disabilities in Guyana”.*

The Deputy Secretary General also reported the following on COVID response in the UNSDG Chair Report:

*“Governments’ perception of how Resident Coordinators have led the UN Country Team response to COVID-19 in 2020:*

- *92% of program country Governments indicate that the Resident Coordinators have ensured a coherent UN response to the COVID-19 pandemic*
- *74% of program country Governments indicate that the Resident Coordinator-led UN Country Team response has been comprehensive*
- *76% of program country Governments indicate that the Resident Coordinator-led UN Country Team response has been timely*
- *77% of program country Governments indicate that the Resident Coordinator-led UN Country Team response has been effective*
- *84% of program country Governments indicate that the Resident Coordinator-led UN Country Team response has targeted at-risk groups*
- *84% of program country Governments indicate that the Resident Coordinator-led UN Country Team response has been coherent with the Cooperation Framework/UNDAF*
- *81% of program country Governments indicate that the Resident Coordinator-led UN Country Team response has been coherent with the humanitarian response”*

**“A boost in coordination proves fruitful:** *Only a year into the implementation of the reform, the world was hit by the COVID-19 pandemic. The boost in coordination was crucial*

*to immediately make available all the UN's expertise at country, regional and global level.*

*Resident Coordinators led UN Country Teams in responding to the health and socio-economic impact of the pandemic in 162 countries and territories, working closely with WHO, UNDP and OCHA in setting the foundations for a better recovery.*

*The value of enhanced coordination was evident in:*

- *Enhanced leadership at the country level, with clear entry-points with Governments*
- *A more coherent positioning of the UN's work, and a stronger system response through effective UN Country Team working relationships*
- *A cohesive whole-of-UN response, enabling urgent scaling-up of support to countries, in emergency mode, leveraging response with the health and humanitarian action*
- *Swift system-wide effort to develop a UN Framework for the Immediate Socio-Economic Response to COVID-19 and UN Socio-Economic Response and Recovery Plans, repurposing and mobilizing resources*
- *Business continuity while tackling the pandemic to keep delivering on the 2030 Agenda and the SDGs.*

*The COVID-19 response accelerated the implementation of reforms for the UN development system to be fit for purpose, advancing a new generation of UN Country Teams that are better equipped to address complex challenges through an integrated approach”*

*“Three years into the reform we clearly see:*

- *A marked shift towards joint programming and planning*
- *Increased integrated policy advice*
- *Better and more tailored access to full UN capacities*
- *Increased accountability and transparency for results*
- *Improved ability of the UN to speak with one voice*
- *Closer collaboration with international financial institutions”*

**Q. After WIPO joins the UNSDG, will WIPO be able to engage in the decision-making process of the operation of the UNSDG and the RC system, and how will WIPO be able to have an impact on the decision?**

### **Global Level**

**WIPO potential involvement in decision-making:** On joining the UNSDG the WIPO Director General will be included in the Group which is composed of the Executive Heads. WIPO will be one of many others in the Group and as such would contribute to decision making by the Group. WIPO is unlikely to be a member of the UNSDG Core Group, which generally has membership of entities with extensive country presence.

At the global level, the UNSDG serves as a high-level forum for joint policy formation and decision-making. It guides, supports, tracks and oversees the coordination of development operations in 162 countries and territories. The UNSDG meets twice a year under the chairmanship of Deputy Secretary-General of the United Nations, who chairs the UNSDG on behalf of the UN Secretary-General. The UNDP Administrator, serves as Vice-Chair of the Group. The Development Coordination Office (DCO) serves as the Secretariat of the Group. Currently The Group is composed of the executive heads of UNSDG member entities. The UNSDG Vice-chair also convenes the UNSDG Core Group comprised of

DESA, FAO, ILO, IOM, OHCHR, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNICEF, UN Women, WFP, WHO and the rotating chair of the Regional Economic Commissions. The General Assembly of the United Nations oversees the work of the UNSDG and **many** (but not all *i.e. specialized agencies excluded*) of its member entities through its Economic and Financial Committee.

DCO indicated that decisions that may be taken in the UNSDG which require individual Legislative Bodies of the member Agencies to be the ultimate decision makers such as on budgetary contributions will still be for decisions by those Legislative Bodies.

### **Regional Level**

**WIPO potential involvement in decision-making:** At the Regional Level WIPO would participate in the Regional Collaborative Platforms as a member. In addition, WIPO would be able to join the Regional Issues Based Coalitions that are established by the Regional Collaborative Platforms, with a possibility to jointly-chair some if the subject matter is largely based on the mandate of WIPO. Joining these coalitions with other UN Agencies is voluntary and largely depends on interests, mandates and development activities of individual Agencies.

At the regional level, the **Regional Collaborative Platforms** (RCP) unite all UN entities working on development for the 2030 Agenda, addressing key challenges that transcend country borders such as health and environment. The RCP is chaired by the Deputy Secretary-General and co-chaired by two vice-chairs from the Regional Economic Commissions and the United Nations Development Programme.

**Issue-based Coalitions** act as regional task forces to facilitate improved cooperation between different UN agencies and their partners. The work of the Issue-based Coalitions is guided by the Regional Collaborative Platforms, which take decisions concerning the establishment of new coalitions and which review the work of existing coalitions. Led by one or several agencies, these broad, multi-partner coalitions coordinate the UN response to cross-cutting challenges in the region, help realize synergies among related areas of work of different UN entities, and serve as platforms to reach out to non-UN stakeholders. Through regular meetings, the coalitions coordinate their cross-sectoral activities and develop plans for joint action (e.g. interagency guidance notes, common position papers, side events at intergovernmental meetings).

### **Country Level**

**WIPO involvement in decision-making:** Where WIPO has signed on to the Cooperation Framework it can participate in the deliberations of the UNCT. However, in general, Agencies with physical presence have a greater impact on decision making at the UNCT level.

The United Nations Country Team (UNCT) exists in 131 countries, covering all of the 162 countries where there are United Nations programs (that is, UNCTs, in some cases cover more than one country/territory). The UNCT includes all the UN entities working on sustainable development, emergency, recovery and transition in program countries. The UNCT is led by the UN Resident Coordinator, **who is the representative of the UN Secretary-General in a given country**. The UNCT ensures interagency coordination and decision-making at the country level. The goal is to plan and work together, as part of the Resident Coordinator system, to ensure the delivery of tangible results in support of the development agenda of the Government, including the [UN Sustainable Development Cooperation Framework](#)—which guides the UN country team’s development program cycle, in joint agreement with the host government.

**Q. What are WIPO's future plans for utilizing the RC system in the implementation of its development activities? Please let us know if there are any plans at this moment.**

No plans have been developed yet by WIPO to utilize the RC system as these plans can only be developed once WIPO becomes a member of the UNSDG. WIPO continues to contribute to the SDGs and to the implementation of development activities through the WIPO member states approved frameworks of the Program of Work and Budget and the Annual Workplan Process.

**Q. What are the prospects for consulting with Member States that have made voluntary contributions and revising the various WIPO regulations necessary to implement the procedure for payment of the 1% coordination levy?**

Currently there are no envisaged WIPO regulations that would need revision to implement the procedure for payment of the 1% coordination levy, except where Member States chose the “agency-administered” option. For the “Agency-Administered” option, the effect will be on the WIPO Policy on the Management of Voluntary Contributions to add the process of the Office of the Controller applying the standard checklist developed by DCO to determine whether an MOU would be subject to the levy or not on behalf of DCO. The levy has always been formulated as a process between the Member States and DCO with an option provided for an agency to collect the levy on behalf of DCO where Member States chose the “Agency Administered” option.

It should be noted that the Secretary General of the United Nations has recommended to the General Assembly that in future only the “Donor-Administered” option remain due to the administrative costs of the “Agency-Administered” option.

**Q. Is there any work burden, e.g. prior coordination and reporting, on Member States making voluntary contributions for the payment procedure of the 1% coordination levy?**

In the report of the United Nations Secretary General on the Review of the Resident Coordinator System the following was reported on the payment of the 1 per cent levy:

*“While the General Assembly, in its resolution 72/279, indicated that the levy was to be paid at the source, only 2 of 30 Member States (Iceland and Sweden) and the European Union currently administer the levy directly. The remainder of the levy collection is administered by United Nations Sustainable Development Group entities on behalf of donors.*”

### Countries contributing to the 1 per cent levy since 2019

(United States dollars)

European Union	31 361 782.42
Germany	13 451 933.36
Non-member State contributors	9 982 311.00
Netherlands	4 917 130.48
Sweden	4 433 739.90
Japan	3 469 730.40
United Kingdom of Great Britain and Northern Ireland	3 093 243.63
Republic of Korea	2 947 259.75
Norway	2 320 832.47
Switzerland	1 868 146.13
Canada	1 603 988.48
United States of America	1 081 662.58
Denmark	714 514.91
Italy	667 616.29
Australia	572 757.37
France	569 392.87
New Zealand	331 304.12
Russian Federation	276 272.28
Finland	229 589.61
Luxembourg	223 387.25
Austria	181 439.71
Spain	169 622.84
Ireland	159 139.01
Iceland	99 682.28
Belgium	93 288.29
Monaco	15 708.44
Poland	14 577.78
Turkey	9 900.99
Czechia	7 981.69
Estonia	4 251.58
Slovakia	3 200.00
Mexico	2 475.00
Croatia	2 000.00
Romania	1 075.27

Source: Development Coordination Office.

*“The agency-administered option of the levy has resulted in heavy administrative costs during the past two years, ranging from between 5 and 27 per cent of funding mobilized and transferred to the Development Coordination Office, depending on the entity.”*

*“By contrast, the donor-administered option has generated approximately \$36 million since 2019 with no transaction costs for United Nations entities and significantly less for donors. Use of the donor-administered option is therefore greatly preferred to the agency-administered option, as it significantly streamlines the process, leading to efficiencies and decreased transaction costs for both United Nations Sustainable Development Group entities and donors.”*

*“Furthermore, while the levy was conceived as an add-on to donors’ contributions, donors have, in most cases, applied the levy from within their contributions instead, in practice making fewer resources available for programmatic activities. In such cases, these levy payments can be considered “foregone contributions”, reducing the budgets which would otherwise be available to entities. This is avoided when using the donor-administered option, where payments come separate from, and in addition to, contributions to entities.”*

The Secretary General has also recommended that, in the future and with the concurrence of the General Assembly of the United Nations, only the donor-administered option as initially envisaged by General Assembly resolution 72/279 should remain in place. If the United Nations General Assembly concurs with this resolution, the Agency Administered

option will not be available. Hence Member States will be dealing directly with DCO with regards to the remittance of the 1 per cent levy if the resolution is passed.

Currently, the Development Coordination Office has indicated the following regarding processing for informing, collecting and reporting on the 1% coordination levy. The following relevant sections are extracted from the guide and indicate the prior coordination and reporting required of Member States:

- *“Funding partners (including Member States) may select the “agency-administered” option or the “donor administered” option for the collection of the 1% levy, by confirming the selected option in writing to the United Nations Development Coordination Office (DCO). DCO will then inform the United Nations entities of the option selected.”*
- *“The United Nations Secretariat and the respective funding partner (including Member State) selecting the donor administered option will formally agree, through the Development Coordination Office, on the basis for calculating the levy and the timing of the payment of the levy from the funding partner to the United Nations Secretariat. **The individual United Nations entities will have no role in the administration of the levy under this option.**”*
- *“For funding partners that have selected the agency-administered option, during negotiations of an agreement that is likely to be subject to the levy, United Nations entities will remind the funding partner (Member State) about the levy and share the wording of the standard “levy clause” that will be included in the agreement. The clause may also be adjusted in non-substantive ways to respond to individual requirements, through consultation between the funding partner and the concerned United Nations entity.*
- *“In cases where a request from a specific funding partner affects multiple United Nations entities, this should be brought to the attention of DCO by the United Nations entities through the quarterly reporting mechanism for DCO to lead a centralized negotiation approach. DCO will also maintain and periodically share a registry with all substantive adjustments to levy clauses.”*
- *“At the proposals stage, the concerned United Nations entity will confirm that the agreement is subject to the levy, will indicate the amount of the levy, and will document the decision with reference to the check list and definitions that are attached to the relevant guidance. Funding partners (including Member States) should also be encouraged to transfer the levy in one or as few installments as possible in alignment with the programmatic tranches included in the contribution agreement to lessen the administrative burden on the United Nations entity. For agreements where determination of applicability of the levy is not straightforward, the concerned United Nations entities and their funding partners will consult DCO for guidance. When there is confirmation that the agreement is subject to the levy, a standard “levy clause” will be included in the contribution agreement. In the latter, any reference to the levy amount will have to be separated from the project budget.”*
- *“In the case of standard framework agreements or other instruments currently in use, the option to sign a separate Letter of Agreement (LoA), using the same standard clause, is acceptable. This will need to be agreed to between the United Nations*

*entity and the funding partner (including Member States).”*

- *“Once the levy has been transferred from the United Nations entity to the United Nations Secretariat, **all fiduciary responsibility for the use of the levy as well as reporting and refunds to the funding partner (Including Member States) lies with the United Nations Secretariat.**”*

Source document: [https://unsdg.un.org/sites/default/files/2021-07/Coordination-Levy-Operational-Guidance\\_25%20July%202021.pdf](https://unsdg.un.org/sites/default/files/2021-07/Coordination-Levy-Operational-Guidance_25%20July%202021.pdf)

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