

Program and Budget Committee

Thirty-Fourth Session
Geneva, June 27 to July 1, 2022

REPORT

Adopted by the Program and Budget Committee

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1. The 34th session of the WIPO Program and Budget Committee (PBC) was held at the Headquarters of WIPO from June 27 to July 1, 2022.
2. From October 2021 to October 2023, the Committee is being composed of the following Member States: Algeria, Argentina, Armenia (2021-2022), Azerbaijan (2021-2022), Bangladesh (2021-2022), Belarus (2022-2023), Brazil, Canada, Chile, China, Colombia, Czech Republic, Egypt, El Salvador, Estonia, France, Germany, Ghana, Greece, Guatemala, Hungary, India, Indonesia (2022-2023), Iran (Islamic Republic of) (2021-2022), Iraq (2022- 2023), Italy, Jamaica, Japan, Kazakhstan (2021-2022), Kenya, Kyrgyzstan (2022-2023), Malaysia (2021-2022), Mexico, Mongolia (2022-2023), Morocco, Namibia, Nigeria, Oman (2022-2023), Pakistan (2021-2022), Panama, Poland, Qatar (2021-2022), Republic of Korea (2021-2022), Romania, Russian Federation, Saudi Arabia, Serbia, Singapore (2022-2023), Slovakia, South Africa, Spain, Sweden, Switzerland (*ex officio*), Syrian Arab Republic (2022-2023), Tajikistan (2022-2023), Tunisia, Republic of Türkiye, Turkmenistan (2022-2023), Uganda, United Arab Emirates (2022-2023), United Kingdom, United States of America, Uzbekistan (2021-2022), Viet Nam (2021-2022) (53).
3. Members of the Committee represented at this session were: Algeria, Argentina, Armenia, Bangladesh, Brazil, Canada, Chile, China, Colombia, Czech Republic, Egypt, El Salvador, Estonia, France, Germany, Ghana, Guatemala, Hungary, India, Iran (Islamic Republic of), Italy, Japan, Kazakhstan, Morocco, Mexico, Namibia, Nigeria, Pakistan, Panama, Poland, Qatar, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Serbia, Slovakia, South Africa, Spain, Sweden, Switzerland (*ex officio*), Tunisia, Türkiye, Uganda, United Kingdom, United States of America, Uzbekistan (47).
4. In addition, the following States, members of WIPO but not members of the Committee, were represented as observers: Albania, Australia, Barbados, Belarus, Bolivia (Plurinational State of), Cambodia, Democratic People's Republic of Korea, Djibouti, Dominican Republic, Ecuador, Finland, Indonesia, Israel, Kyrgyzstan, Kuwait, Lesotho, Lithuania, Mali, Nepal, Nicaragua, Portugal, Republic of Moldova, Senegal, Singapore, Slovenia, Sri Lanka, Syrian Arab Republic, Tajikistan, Tanzania, Trinidad and Tobago, Ukraine, Uruguay, Viet Nam, Venezuela (Bolivarian Republic of), Zambia, United Arab Emirates (36).

ITEM 1 OPENING OF THE SESSION

5. Secretariat: "A very good morning to all delegations in the conference hall and for many of you who are connected virtually. I would like to welcome you very warmly to the 34th session of the Program and Budget Committee. It is really great to see so many delegates registered and participating in this meeting. On behalf of the Secretariat, I would like to thank you all very sincerely for your active participation and the high engagement in all of the preparatory meetings last week – your questions and the rich exchange have helped us prepare better for the meeting this week. I will take a few moments to remind our distinguished delegates of some key points related to our meeting this week. Firstly, on health and safety – as we all know restrictions have been lifted, however, cases of COVID-19 remain on the rise and we would therefore urge you to take as many precautions as you see necessary for your own safety and for the safety of your colleagues. The WIPO Medical Unit remains available to Delegates should any health concerns arise during the meeting. The main cafeteria in the new building, no longer new, remains open from 8:00 to 10:30 in the morning, and from 12:00 to 2:00 pm. Coffee and tea will be available outside our room at 11:15 am, and at 4:15 pm. This meeting is a hybrid meeting and we will have participation from all over the world. We appreciate those of you who are connecting from different time zones at very early or very late hours. We have interpretation in all six languages. We request all delegations to speak slowly and clearly as the work of our interpretation teams tends to be more complex in the hybrid environment. For those Delegations connected remotely, kindly note that the event chat is to be used only to indicate that you wish to raise a Point of Order by typing "Point of Order" in the event chat after raising

your hand. For those delegates in the conference hall, please do not log into the Interpretif link. Also, if you change your seat for any reason from the designated seat, kindly remember to inform our conference colleagues so that we can identify you correctly when you press the button. Our technical and conference teams are present here, well prepared to assist you throughout the meeting, in case of any difficulties, we prepared extensively and intensively for this meeting and we look forward to facilitating your meeting in a smooth and effective manner. I thank you all very much for your kind attention, and a very warm welcome again to the 34th session of the Program and Budget Committee (PBC). Thank you.”

6. Delegation of Slovakia: Thank you. Let me start by thanking the Secretariat for the opening remarks. I would like to deliver the following statement on behalf of CEBS, concerning the war in Ukraine. The CEBS Group condemns in the strongest possible terms Russia's military aggression and violence against Ukraine. By this unprecedented attack of Russia against Ukraine, Russia grossly violates international norms, especially the UN Charter and obligations resulting from International Humanitarian and Human Rights Law. We call on Russia to immediately stop all military actions, to refrain from the use of force against civilians, women and children, withdraw its military forces from Ukraine, and fully respect Ukraine's territorial integrity and sovereignty as an independent state. CEBS members would like to express our full solidarity with Ukraine and the Ukrainian people. We have witnessed that Russia's aggression followed by destruction of institutional capacities and infrastructure has largely affected all IP areas and access to knowledge, research and development in Ukraine. In that regard, we would like to emphasize that technical assistance and capacity building should be provided to Ukraine for the restoration and rebuilding of its Intellectual Property system. This should also be followed by allocating adequate financial and human resources, including under the Program of Work and Budget. On the basis of WIPO's Financial Regulations and Rules and other governing documents, also the resources could be reallocated from the already approved budget to ensure funding of these activities. Thank you.

7. Delegation of the Russian Federation: Thank you, Madam Chair. Madam Chair, The Russian Federation has taken the floor in accordance with a Point of Order and this is under the Rules of Procedure number 14. We would once again wish to emphasize the importance of Article 5 within the UN Charter that means that the Chair is in a situation where a Point of Order can be raised and the Chair has to rule on whether or not that Point of Order is correct. In this case, a statement was made that was not in line with this agenda. We wish to emphasize that in the course of preliminary consultations with the Regional Groups and all relevant stakeholders, we agreed on an agenda with a number of items and it is clear that the politicized anti-Russian statements are simply an attempt to artificially and ineffectively politicize the work of WIPO. We therefore wish to recall the fact that WIPO is an independent specialized agency of the UN and within the mandate of WIPO, issues relating to peace are not found. This is not part of our remit. We therefore, call upon the chair to ensure that countries do indeed refrain from any politicization of our work, within WIPO or in terms of any other discussion that may be held here within the PBC. Thank you.

8. Secretariat: Thank you very much, distinguished delegation of the Russian Federation for your intervention. I am sure members in the room and connected remotely have taken note of the Point of Order. I will now give the floor to the distinguished delegate of Ukraine, who has connected remotely. I interrupted you, Ukraine, so please you have the floor now.

9. Delegation of Ukraine: Thank you. Ukraine acknowledges the importance of the work of the WIPO Program and Budget Committee. We convey our extended gratitude to the External Auditor, the Independent Advisory Oversight Committee and the Internal Oversight Division (IOD) for their reports to the Committee. Moreover, we are confident that the leadership of this Committee will guide successful discussions during the PBC session. All the members agree that the work of this Committee is one of the most important in the context of upholding the good programmatic and budgetary standing of WIPO. At the same time, dark times have come

for Ukraine. Since the 24th of February the Russian Federation supported by the Republic of Belarus launched a brutal unprovoked and unjustified attack on Ukraine, threatening its territorial integrity, violating International Law and the UN Charter, and undermining international security and stability. We are now witnessing a horrible economic and humanitarian crisis with destroyed villages and cities as Ukrainians were forced to leave their homes and seek shelter abroad. Due to the current circumstances, the national system of IP in our state is suffering from huge economic losses. Personnel have to operate from their shelters, often risking their lives and health. Russia's indiscriminate attacks, like the one yesterday in Kiev where we are here now, as well as other in Cherkasy and Chernihiv regions yesterday, continue to destroy institutional capabilities and physical infrastructure, of course including all IP-related sectors, training, research and development in Ukraine. Therefore, we demand Russia to immediately stop the criminal military aggression against our State and respect Ukraine's territorial integrity, sovereignty, and independence. Russia's aggression against my country and its global interest on the whole, undermines WIPO's ability to maintain international IP systems that promotes innovation and creativity for a sustainable future. Therefore, if there are no actions being taken at WIPO now, in the near future the whole IP community will question WIPO's effectiveness and relevance in attaining its mission. The time to act is now. Thank you for your understanding and attention.

10. Delegation of Germany: Thank you Chair. I make the statement on behalf of Group B. Group B expresses solidarity with Ukraine and supports the sovereignty and territorial integrity of Ukraine within its internationally recognized borders. Group B condemns Russia's invasion of Ukraine that violates International Law and is preventing our Ukrainian colleagues from fully participating in this meeting. Group B, together with our partners, stands united in condemning Russia's outrageous attack on Ukraine, facilitated by Belarus, as a clear breach of International Law and the UN Charter. Thank you Chair.

11. Delegation of the United States of America: Thank you Madam Chair for giving me the floor. We join others in condemning Russia's unprovoked and unjustified war against Ukraine. Russia's only response to this since it began this illegal war is that our and other Member States condemnations are political. Russia continues to say this because it is the only response it has, and it could not be further from the truth. Like other UN related agencies, WIPO is a specialized agency with a specific mandate. Russia's brutal aggression against Ukraine and subsequent government decisions have directly damaged Ukraine's and other Member States' interest in predictable, reliable protection of Intellectual Property. Russia's actions against Ukraine and disregard for its international obligations are hardly just political. The brutal attacks by Russia's military forces have already and will continue to result in the catastrophic loss of life, displacement and tremendous human suffering. They are also destroying educational institutions, museums, hospitals, and other parts of Ukraine's innovation and creativity infrastructure. The United States of America recognizes the important contribution of Ukraine to global innovation and creativity. The war in Ukraine has been condemned by creative and innovative industries with many companies and organizations severing business ties with Russia. At the same time, we applaud the resilience of the Ukrainian Intellectual Property Institute and other colleagues which continue to operate. WIPO must respond to the impact of Russia's actions on the global Intellectual Property System, including with respect to the subject matters discussed by this Committee. With specific reference to the work of the PBC, we note that under Agenda Item 17, this week we will be discussing the Evaluation of the WIPO External Offices. WIPO External Office network is an integral part of the Organization and as such operates under the same mandate, goals, principles and objectives. Since its unjustified invasion of Ukraine on February 24, 2022, Russia has passed legislation and issued decrees that undermine the protection and enforcement of Intellectual Property rights. Based on that fact, we question the current ability of the WIPO External Office in Russia to advance WIPO's mandate to promote the protection of Intellectual Property, and to meet the priorities set out in the guiding principles in WIPO's Medium Term Strategic Plan (MTSP). The actions of the Russian Federation with respect to the global Intellectual Property protection seem to be

inconsistent or even contrary to the entire objective of establishing and operating this particular External Office. Russia's invasion and its collateral impacts directly threatens WIPO's ability to advance the balance and effective Intellectual Property system that promotes innovation and creativity for a better and more sustainable future for all. It is critical for WIPO's ongoing credibility and effectiveness that the Organization immediately take appropriate actions within its mandate to promote and protect the global Intellectual Property system. Thank you.

12. Delegation of France: Thank you Madam Director. France wishes to support the statement made by Group B and by CEBS. We wish to recall our full solidarity with Ukraine and the people of Ukraine. We condemn in the strongest possible terms the unprovoked military aggression, which is totally unjustified that has been unleashed by Russia against Ukraine. We call upon Russia to put an immediate end to its military activities in Ukraine and to fully respect the territorial integrity, sovereignty and independence of Ukraine. France condemns the measures to counter IP that has been taken by Russia. In fact, IP users are now in a situation where they do not have to pay any fees for the use of IP, and we also see parallel imports of hundreds of categories of goods without the agreement of the rights holders. These things are violations of International Law when it comes to intellectual property. Thank you, Madam Chair.

13. Delegation of the Russian Federation: Thank you for giving me the floor, to make a comment on a Point of Order. Sadly, we are obliged to note that a number of Delegations are deliberately stating that in fact the way that they have taken the floor here within WIPO has given them an opportunity to make comments that should not be part of the remit of WIPO. We would call upon countries to maintain a spirit of respectful dialogue and mutual respect in all that is said, selectivity, double standards and politicization of debate is simply not in the interest of WIPO and amounts purely to political propaganda. We are deeply concerned by a new trend, a number of Western countries have decided that they can use the platforms like the lofty platform we have here at WIPO simply to disseminate their politicized propaganda. Sadly, when we come to the information war, we see that we are in a situation where reality has been totally distorted and sometimes indeed substituted by things that are simply not true. We see an intensive flow of ideological spam, politicized spam on the internet, and sadly we are seeing it here also in WIPO. It is not possible for in fact people who are present here to have an objective view of what is going on because they are subject to such a flow of disinformation. In recent months, we have seen that Western ministries of truth, so to speak, have become ministries of lies, and to actually see this culminating in what is happening in recent days. We therefore would call again upon WIPO most urgently to respect its mandate, the mandate that it has given within the UN system. It is important to abide by the UN terminology and the official evaluations and assessments of what is happening without having any kind of politicization of our discussion here and we urge you, Chair, to call delegates to order when they do not abide by these rules. Thank you.

14. Secretariat: Thank you very much to the distinguished delegate of the Russian Federation for your intervention and again, I am sure all Member States connected virtually as well as in the room have taken note of your intervention. I now recognize the United Kingdom.

15. Delegation of the United Kingdom: Thank you very much for giving me the floor and good day to all. As you embody, the World Intellectual Property Organization (WIPO) is mandated to enable creativity and innovation for the benefit of all. However, Russia's illegal invasion of Ukraine as well as its reported action against legitimate Intellectual Property Right's holders are hampering the efforts by countries around the globe. This war is causing suffering and destruction as well as disrupting the proceedings of and participation in multilateral meetings such as those in this house. In this case, the PBC. As long as Russia continues its illegal invasion, these impacts will persist to the detriment of Ukraine and the rest of the world. The United Kingdom stands in solidarity with the people of Ukraine and condemns the attack on Ukraine as a clear breach of international law. Thank you.

16. Delegation of Germany: Thank you very much. Germany condemns the war of aggression the Russian Federation is currently waging against Ukraine in the strongest possible terms. Russia must immediately cease its military actions and unconditionally withdraw all forces and military equipment from the entire territory of Ukraine and fully respect Ukraine's territorial integrity, sovereignty and independence within its internationally recognized borders. Russia's invasion of Ukraine that violates international law, jeopardizes IP-related efforts and progress achieved through IP.

17. Delegation of the Bolivarian Republic of Venezuela: Madam Chair, I would also urge Delegates not to politicize this meeting, which is a technical meeting, and we have noted attempts to politicize meetings and raise issues that are not relevant to this Organization, so we call upon members of this body to speak, to deal, with the items on the agenda. Thank you.

18. Delegation of China: Thank you, Madam Chair. China deeply regrets the situation in Ukraine has come to this stage. China's position on the Ukraine issue has been consistent and clear. The right to independence and territorial integrity must be respected. The purposes and principles of the UN Charter should be observed. The legitimate security concerns of all countries should be taken seriously and all efforts conducive to the peaceful resolution of this crisis should be supported. On the Ukraine issue, it is in the interest of all parties to contract the conflict, and the most urgent task is to ease the situation and avoid escalation or loss of control of the situation. The actions taken by the UN and its specialized agencies including WIPO, should prioritize regional peace and security for all to create conditions for a cool down and a diplomatic solution. China is against any actions that create tension and escalate the situation. The crisis of Ukraine is a very important matter and it is not in WIPO where we should discuss this issue. All discussions here must respect the rules and regulations of WIPO. We hope that WIPO will focus on its main responsibilities and the businesses, and avoid influencing the proceedings by introducing controversial issues and political statements. Thank you, Madam Chair.

19. Delegation of Japan: Thank you for giving me an opportunity to take the floor. The Delegation of Japan would like to associate itself with statements delivered by many colleagues including Group B. The recent aggression by Russia against Ukraine is an attempt to unilaterally change the status quo by force, and an act that shakes the very foundation of international order. The attempt is also relevant to the Intellectual Property field and to this Committee at WIPO, as the other members have already mentioned. We call upon Russia to immediately recede its aggressive military action against Ukraine. Thank you.

20. Delegation of Spain: Thank you very much indeed Madam Chair. The Delegation of Spain fully aligns itself with the Group B statements in condemning the Russian aggression of Ukraine, consistent with the European Union position, which is to put an end to this aggression as quickly as possible while respecting the territorial integrity and sovereignty of Ukraine. Thank you.

21. Delegation of Iran (Islamic Republic of): Thank you, Madam Chair. The World Intellectual Property Organization (WIPO), as a special agency of the United Nations, is the global forum for Intellectual Property, services, policies, information and cooperation. The Organization's mission is to lead the development of a balanced and effective Intellectual Property systems that enable innovation and creativity for the benefit of all. My delegation would like to reiterate its principal position that WIPO is not the proper and relevant platform or forum for raising issues of a political nature and Member States actions should be in strict conformity with WIPO's mandate, principles and rules. Having said that, we hope that WIPO would focus on its main mandate and avoid any intervening contentious issues, which may put at risk its mission, which could affect the Organization's ability to fulfill its mission, mandate, and the achievement of its objectives and undermine multilateralism. Thank you Madam Chair.

22. Delegation of the Republic of Korea: Thank you Madam Chair. The Delegation of the Republic of Korea would like to echo and add its voice to the previous speakers on the situation in Ukraine. In the strongest possible terms, we condemn the Russian Federation's aggression against Ukraine, as a violation of international law, including the UN Charter. The use of force against innocent casualties cannot be justified under any circumstances. We are also firmly convinced that Ukraine's sovereignty, territorial integrity and political independence must be respected. Thank you, Madam Chair.

23. Delegation of Australia: Thank you for giving me the floor. Australia would like to join others in stating its condemnation of Russia's invasion of Ukraine in the strongest possible terms. This unprovoked, unjust and illegal invasion of Ukraine has had a significant impact on Ukraine's creative economy, its Intellectual Property sector, and its ability to participate in meetings of International Organizations such as this one. We call on Russia to immediately withdraw its troops and commit to a diplomatic solution. Thank you.

24. Delegation of Switzerland: Thank you, Madam Chair. Switzerland condemns Russia's military aggression on Ukraine in very strong terms. We call upon Russia to de-escalate the situation, to put an end to the hostilities, and to immediately withdraw its troops from Ukrainian territory. This aggression prevents our colleagues in Ukraine from preparing for and participating in the work of this Committee. The only way to put an end to this conflict is through dialogue and diplomacy. The Geneva Conventions can also be useful in helping to find consensus building or dialogue. Respect for those Conventions is non-negotiable. Thank you.

25. Delegation of the Russian Federation: Thank you very much indeed, Madam Chair. I would draw your attention to the fact that our Delegation is now taking the floor as part of a right to reply. We are obliged to do that because of a number of statements that have been made here and we thank you for giving us the opportunity to address you now and explain our position. We firmly reject the statements put forward by a number of delegations with regard to our position. They are simply not realistic and they are not appropriate comments to be made within the framework of the PBC, nor are they appropriate for the mandate of WIPO, which is a UN specialized agency. Once again we urge all those who are involved in the discussion to refrain from politicizing the debate. We are obliged to remind you of the fact that on the basis of the Charter of the UN, Article 51, we do have the right to self-defense, to protect ourselves, and in accordance with that right, we are conducting a special military operation in Ukraine. We appropriately informed the Security Council of the UN of that fact. The operation is intended to put an end to the violence that has been unleashed against people living in Donetsk and Lugansk over the past few years. This includes terror, persecution, indeed they have suffered for that for eight years and this has resulted in the loss of life of many civilians, around 14,000 to date, and we see the shelling is continuing. We see that women and children are being very much harmed in the frontline. When we are talking here in the warmth and comfort of WIPO, there are women and children who are suffering in Donbas because of what has been done by the Ukrainian government over the past eight years. And we are now told that supposedly that what Russia is doing is something that is threatening international peace and security. The fact is that given the unfolding crisis, we see that there is indeed a unilateral interpretation of International Law being taken, and we see that sanctions are being imposed unilaterally. That is what is causing the global crisis. We see the repercussions of that on the agricultural sector and on the ability of people throughout the world to feed themselves. The responsibility then has to be borne by a group of developed countries who at present are here in the conference hall of WIPO, once again, playacting. In fact, we have to bear in mind that we deliberately decided that we were not going to attack the infrastructure of Ukraine. The people who are now in fact as I say indulging in playacting, are simply forgetting the fundamental rules of diplomatic life. In fact, the Russian Federation is not targeting civilian infrastructure. It is not destroying civilian facilities. The Russian Federation is consistently abiding by and will continue to abide by the international rules and will continue to respect WIPO as the lead agency for Intellectual Property. Now, we note the comments made by a number of countries about legislation

adopted recently in Russia with reference to Intellectual Property. Here, I would like to draw attention to the fact that the Russian Federation gave full and detailed comments about the situation with reference to that legislation and international legislation, and international rules and laws. That detailed information was given to the WIPO Secretariat. And it is also available on the WIPO website. Anyone can go and read in detail what exactly is involved in our legislation and also can read the commentary on it and can see that the provisions of our legislation is fully in line with the obligations accepted by the Russian Federation, within WIPO. We seek to shoulder all of our international obligations within this Organization. We are convinced that the Intellectual Property system is, and will be in future, a creative mechanism, allowing creative and scientific achievements to be put into practice and taken forward in future. We recognize that it is important to promote cooperation with all interested partners, in order to achieve the goals of this Organization and we hope that others will take the same approach. We wish to act in accordance with what has already been agreed by all Regional Groups. That is to say the agenda for this Committee. And we therefore would ask all of those who take the floor to stick to this and not to get involved with matters beyond the remit of the Committee, thank you. Chair, could you please be so kind as not only to remind countries of their obligations to stick to the agenda but also when they are taking the floor, I would ask you to call them to order and ensure that they focus on the issues before us. If there is any problem, please could we have a break now?

26. Secretariat: Thank you very much to the Russian Federation. Your intervention is noted. Yes, we will have a break in a few minutes, but I now recognize the delegation of Canada has requested the floor. Canada, you have the floor please.

27. Delegation of Canada: Canada condemn the Russian government's unjustifiable and unprovoked invasion of Ukraine. This hostile act is a blatant violation of International Law and the rule based international system. In launching this war, the Russian regime is seeking to destroy the freedom of a people and to overthrow the democratically elected government of a sovereign nation. In addition to the devastating cost of human lives, the war is preventing the Ukrainian people from fully contributing to and participating in innovation and creative pursuits, which this Organization is meant to foster and celebrate. Ukraine's sovereignty and territorial integrity must be respected and the Ukrainian people must be free to determine their own future. Canada calls on Russia to immediately cease all hostile and provocative actions against Ukraine and withdraw all military and proxy forces from the country. Thank you.

28. Director General: "Excellencies, distinguished delegates, dear friends and colleagues, good morning, and welcome to the 34th session of the Program and Budget Committee. At the outset, I would like to thank the outgoing Chair, Ambassador Sabri Bachtobji of Tunisia, and the Vice-Chairs, Mr. José Antonio Gil Celedonio of Spain and Ambassador Katrina Naut of the Dominican Republic, for chairing and guiding the work of this Committee for the past year, a year of significance for WIPO as we, the incoming Administration, took office, evolved WIPO's budgetary and reporting practices and presented the biennial budget for the first time. I would also like to express our deep appreciation to Regional Coordinators and to Member States for your direction, input and engagement – a process for which we are grateful for your desire to do so in an iterative, consultative and constructive manner. Dear colleagues, when we presented the biennial budget last year, we were still in the midst of the Covid crisis. It was an autumn of optimism, but the light at the end of the tunnel remained distant through winter. Now it seems that we may have at last emerged from the tunnel, but it is to a dark and stormy sky casting long shadows on our journey. The invasion of Ukraine. A global inflationary spike. Disruptions in food, energy and other global supply chains. A looming possibility of recession. And all these on top of the economic and social fall-out of the pandemic, whose costs and consequences are becoming all too clear, with the UN estimating that close to 80 million persons dropped into extreme poverty in 2021. Ladies and gentleman, when we presented our budget to you for the first time last year, I said that this was not a "business as usual" budget, but one designed to transform WIPO to better serve the world. The Medium Term Strategy Plan, encapsulated this

transformative vision of WIPO, sharing with you the need to shift IP from a technical, legal matter to a powerful catalyst for jobs, investments, and ultimately economic and social growth and development. In the midst of these difficulties, I know that you will agree that it is even more important than ever to continue on this path, so that we can harness the power of innovation and creativity to help you transform your economies and also overcome our common global challenges. The work of this Committee is critical because you help guide and direct us in successfully and effectively transforming our work from strategies to outcomes and impact. Our ability to execute strategy for impact is, in turn, based on the attentive and prudent management of the Organization's resources and people, as well as ensuring the highest standards of corporate governance and oversight. This is why your work is crucial not just to WIPO's development, but for innovators and creators around the world. Dear Members of the PBC, allow me now to present the salient results of our work since the last time we met. On the agenda, you will find our Annual Financial Statement, as well as the WIPO Performance Report for the biennium 2020-21. I believe that these two documents show strong results both in terms of our finances and work program. On finances, despite the continued challenges posed by the pandemic, demand for our global IP services continues to be robust. I have in fact observed to many of you before that "despite" may not be accurate and that the pandemic has very likely accelerated a shift of businesses to digital, and of economies to technology and innovation, resulting in a surge of IP applications not just before WIPO but also before national IP offices around the world. These figures echo larger innovation trends in 2021 showing increases in venture capital activity, especially in Africa and Latin America, and continued increases in R&D expenditure at both the company and country level around the world. The results are that PCT applications in 2021 have held steady at 0.9 percent, but we have seen major growth in Madrid, which is up 14 percent; and Hague, which is up 16 percent. The usage of the services of the WIPO Arbitration and Mediation Center is up 22 percent, interestingly and positively, with half the users being SMEs. All these have resulted in a biennial surplus of 244.8 million Swiss Francs. All in all, what is happening is that IP, innovation and creativity is becoming more important to more economies, including developing countries and emerging economies. Turning to our work, our priority since we last met has been simple – to execute the strategy with energy and effectiveness so that we can create impact. As part of our efforts to raise our performance standards, and in line with the recommendations of the External Auditor, we have strengthened the rating scale of the WIPO Performance Report, lifting the threshold of the "fully achieved" category so that it is only achieved when 100 percent of target values are met. Excellencies, Like you, our work has been complicated by the fits and starts caused by the pandemic, and in the midst of transforming our organizational culture. It has been like changing the engines of a ship whilst ensuring that the ship continues to power through choppy seas and sudden storms. But I am proud to share that there has been no letup in the resilience, conviction and energy of my colleagues, coupled with your strong support. As the Performance Report sets out, there are a number of encouraging indicators to report across our sectors. As a snapshot: In 2020-21, the WIPO Academy trained over a quarter of a million people, with a real broadening of work to go beyond training in technical IP knowledge, to include the building and imparting of practical IP skills. Our courses, more and more, are tailored to entrepreneurs, start-ups, SMEs, creators, teachers, youths – those on the ground who may not want to become IP experts but need to know enough IP as part of their basic work skills. Our IP for diplomats and trade negotiators course is proving to be a big hit, with 25 countries already signed up for it this year. Our IP Diagnostics tool for SMEs has helped over 3,000 business owners understand their IP assets in the first six months since its launch in November, generating over 800 personalized reports. We are particularly pleased that both developed and developing countries are using it, and it has already been translated into six languages, with two more on the horizon. Our network of Technology and Innovation Support Centers has expanded by 44 percent over the biennium, to encompass 90 national networks, handling 1.7 million inquiries last year. While our growing web of Intellectual Property Training Institutions – which stand at 12 right now but will grow into close to 30 over the next years – organized over 2,000 training activities reaching more than 160,000 beneficiaries. This year's World IP Day, themed around IP and Youth:

Innovating for a Better Future, attracted record engagement. We received over 15 million impressions across our digital platforms and held nearly 600 events, reaching people in 189 Member States. We have also seen a considerable rise across our engagement platforms, with double-digit growth in WIPO social-media following to over 350,000 followers. This includes strong engagement with our newly launched Instagram account, where 60 percent of followers are under the age of 35. At the same time, our tech matchmaking platform WIPO GREEN has grown to cover nearly 130,000 needs, technologies and patents with contributions from every WIPO Member State. WIPO's Accessible Books Consortium is another platform that has grown substantially – it now provides 750,000 accessible works in 80 languages to people who are blind or visually impaired around the world. On our work with other UN Agencies and partners, we were pleased to join the UN Sustainable Development Group from 1st January this year. And in April, alongside the World Health Organization and World Trade Organization, we launched the 'Trilateral COVID-19 Technical Assistance Platform' – a one-stop shop that allows Member States to tap and access the expertise of all three organizations and is a direct result of our strengthened cooperation around the issues of IP, public health and trade. In the area of policy-making and thought leadership, we have also continued to build momentum behind our conversations on IP and Frontier technologies, with the last conversation attracting close to 1000 persons. And it is pleasing to note that the Global Innovation Index continues to shape policy development around the world, with around two-thirds of participating countries in our first ever survey indicating that they use the GII to improve the strength of their innovation ecosystems. This year has also seen the launch of our Young Experts Program -- a two-year long program here at WIPO's Geneva HQ, where 11 young experts from around the world have the opportunity to broaden their IP knowledge and skills, so that they become the next generation of IP leaders. Excellencies, we are also delivering new projects that are bringing IP to the grassroots, including to youth, female entrepreneurs and indigenous and local communities who, as we have observed, have traditionally been underserved by the global IP ecosystem. Highlights include WIPO's first project on IP and Women Entrepreneurship in the Arab region, which is helping 35 female entrepreneurs in Jordan's Petra region register, manage and commercialize their IP rights in relation to handicrafts that they make. And a new project we are taking forward in the Mexican state of Oaxaca that is supporting the production of the traditional silk "Seda de Cajonos" by groups of indigenous women, by combining its GI status with branding support so that this artisanal product can reach new markets. Sound financial management is the bedrock of this work. It is what enables WIPO to make a difference in places where our support is needed the most, and it allows us to react to fast-moving events, such as through our package of COVID-19 support measures. So far 29 countries have tapped on the package, which remains open for more Member States to access and we stand ready to assist those interested in doing so. This is just a snapshot of the work that we are doing, and with your support, we look forward to scaling them up, as well as delivering on those which will be rolled out in the weeks and months to come. But as you well understand, healthy finances are not to be taken for granted. This is especially true when the global economic outlook is as volatile as it is today. Take investment performance. Around the world, portfolios that are invested in global assets are suffering. This includes WIPO's Core Cash and Strategic Cash portfolios, which are both down by a little over 6 percent this year. It is important to stress that WIPO's investment strategies for both portfolios are aligned with the best practices for UN agencies. They are based on a long-term horizon and are designed to withstand market volatility. While unwelcome, short-term turbulence can be weathered through responsible management. The investment advisor will appraise you of the current situation in more detail and our verdict that it is right to stay the course. Additionally, we have also seen a significant increase in employee benefit liabilities, due to a change in actuarial assumptions that has been implemented for all public service organizations. During 2021, these obligations rose to 615.8 million Swiss Francs, up from 495.3 million the year previously, with further increases projected in the years ahead. In order to ensure coverage of the liability, a proposed funding plan is presented for your consideration. The purpose of the plan is to ensure that over the longer term we will achieve what we consider to be a reasonable coverage of the liability through careful

and pragmatic management. In sum, we will continue to implement the Program and Budget and execute the Medium Term Strategy Plan in a manner that is energetic, effective and impactful, so that we can support you in the transformation of your economies and societies, and contribute to overcome the global challenges that we face. Excellences, turning to the other agenda items, it would be right for me to start by thanking the independent oversight bodies for their work. We take their recommendations seriously and see them as our partners and allies in further refining our corporate governance and oversight. I am pleased to share with you that the External Auditor has recognized our approach to risk management and internal controls as one of the strongest within the UN system and we look forward to engaging constructively with them as we reinforce governance, transparency, accountability, efficiency and compliance. Other items pertain to proposals including the Revision of the Financial Regulations and Rules, which will ensure a clear and enabling regulatory framework that reflects the current business model. The Risk Appetite Statement has also been revamped so that it is enmeshed with our Strategy and makes concrete what risks managers need to pay attention to and manage as we take forward the strategic pillars of the MTSP. A supplementary Capital Master Plan proposal concerning the PCT RSP Hybrid Phase project is also before you for consideration. The security and resilience of the PCT's operations are of critical importance. We have proposed a hybrid solution, which combines the advantages of the public cloud, including for storing documents which are in the public domain, combined with local and secure infrastructure to keep the highly confidential PCT documents under the strict control of WIPO. I also want to touch on the implementation of the Revised Language Policy adopted at the last Assemblies. As well as issuing new guidelines on translation to all staff, new translation business models are being developed to harness human and machine intelligence for the cost-effective promotion of multilingualism. We are also developing implementation plans on piloting machine translation for ring-fenced pages of the WIPO website, amongst other measures. By doing so, we aim to give life to the Policy by reducing translation costs and using AI-based translation technologies to connect with wider audiences in more languages. A side-note is that our work here is benefitting some other UN agencies too, which are also deploying our tools and services to generate efficiencies. Finally, the items following decisions of the 2021 Assemblies and PBC 33 include the Terms of Reference for the evaluation of WIPO External Offices and the Methodology for Allocation of Income and Expenditure by Union. In respect of these items, the Secretariat will be guided by Member States on how you wish to proceed and stand ready to support the PBC membership as requested. Excellences, as IP, innovation and creativity increase in importance around the world, we know that the resonance of our work is growing. This is clear from my conversations with Ministers, Ambassadors, and innovators and creators on the ground. Across all regions and economies of all sizes, there is a growing understanding that IP is not just a technical vertical, but a horizontal catalyst for economic and social development. I am pleased with the steps we've taken since last year's budget was approved but I'm also clear that we have more work to do to deliver the results that you expect of us and to turn the ambitions of the MTSP into reality. PBC members, that is the road ahead of us, and it's a road that I look forward to travelling together. Thank you very much and warm wishes for a productive week ahead."

ITEM 2 ELECTION OF THE CHAIR AND TWO VICE-CHAIRS OF THE PROGRAM AND BUDGET COMMITTEE (PBC)

29. Director General: "Excellencies, I would like now to open Agenda Item 2: Election of the Chair and two Vice-Chairs of the Program and Budget Committee (PBC). As you are aware, the PBC terms of the Chair and Vice-Chair last for one year. We need to elect at this point in time a new Chair and two Vice-Chair's for this Committee. If I may, I now open the floor for any requests and the Secretariat can advise us on who can would like to take the floor."

30. Delegation of Germany: Thank you for giving me the floor, on behalf of Group B, I would like to make a joint Group B and Asia and the Pacific Group (APG) nomination for the Chair of

the Program and Budget Committee (PBC). I would like to propose or to nominate for 2022 Ambassador Indra Mani Pandey, Permanent Representative of India to the United Nations in Geneva as a Chair, and as Vice-Chair, Mr. José Antonio Gil Celedonio, Director of the Spanish Office of Patents and Trademarks. And for 2023 Mr. José Antonio Gil Celedonio, Director of the Spanish Office of Patents and Trademarks as Chair of the PBC.

31. Delegation of the Dominican Republic: Thank you, very much indeed Director General. I am making this statement on behalf of GRULAC as Coordinator. We would like to nominate Ms. Maria José Lamus Becerra, Director of the Industry and Commerce Department of Colombia, as Vice-Chair of this Program and Budget Committee for 2022-2023.

32. Delegation of Slovakia: Thank you Mr. Director General for giving me the floor and thank you also for the presentation of results from last year. I would like to thank all the countries and Regional Groups for their nominations and therefore, the CEBS Group would like to second all the nominations. Thank you.

33. Delegation of Algeria: Thank you, Director General, and good morning everyone. I wish to endorse the proposals put forward for the Ambassador of India as Chair and the two proposals for the Vice-Chairs. I speak on behalf of the African Group. Thank you.

34. Director General: Thank you so much Ambassador on behalf of Algeria and the Africa Group. Does anyone else wish to take the floor? If there are no more requests from the floor, I will take it that the Program and Budget Committee (PBC) Committee wishes to elect Ambassador Indra Mani PANDEY of India as Chair of the Program and Budget Committee in 2022, and the two Vice-Chairs will be Mr. José Antonio GIL CELEDONIO of Spain, and Ms. María José LAMUS BECERRA of Colombia as Vice Chairs for the same period. And Mr. José Antonio Gil Celedonio as the Chair of the PBC in 2023, with Ms. María José LAMUS BECERRA of Colombia as the Vice-Chair for the same period. If there are no comments, it is so decided and I will read the decision paragraph for everyone's benefit:

35. The Program and Budget Committee (PBC) elected, for its sessions to be held in 2022 and 2023: Ambassador Indra Mani PANDEY (India) as the Chair of the PBC in 2022, and Mr. José Antonio Gil CELEDONIO (Spain), and Ms. María José LAMUS BECERRA (Colombia) as the Vice-Chairs of the PBC for the same period; and Mr. Jose Antonio Gil Celedonio as the Chair of the PBC in 2023, and Ms. María José LAMUS BECERRA (Colombia) as the Vice-Chair for the same period.

36. Director General: Let me congratulate our new Chair and Vice-Chairs for this Committee. I believe that both Ambassador Pandey as well as Mr. Celedonio are both with us, and I would like to invite them to come and take the podium. I believe that Ms. Lamus Becerra is joining us online. So, with that, can we join our hands together to congratulate them and welcome them to the Chairpersonship of the PBC.

37. Chair: Director General, outgoing Chair, Excellencies, distinguished delegates of PBC Member States, distinguished members of WIPO's Secretariat, ladies and gentlemen, a very good morning to you, and thank you for your warm welcome extended to me. I would like to extend a very warm welcome to the Vice-Chairs and congratulate them. I feel their full support and cooperation in conducting this meeting, of the PBC. I thank the PBC for voting express confidence in me by electing me as its Chair. I seek the cooperation of PBC members, it will be my endeavor as chair to act in an impartial manner and live up to your expectations. I would

like to thank the Director General for his comprehensive opening remarks and for conducting the election of the Chair and the Vice-Chairs.

ITEM 3 ADOPTION OF THE AGENDA

38. Discussions were based on document WO/PBC/34/1 Prov 3.

39. Chair: We will now proceed with Agenda Item 3: "Adoption of the Agenda". I would like to remind delegations that this is a hybrid meeting, we have delegates in this room as well as delegates connecting remotely. For delegates joining the meeting remotely, the "User guide for WIPO delegates" provides detailed guidelines to assist you. In order to facilitate the review and discussions of the various items, the agenda has been structured in accordance with the following high-level grouping: Audit and Oversight; Performance and Financial Review; Proposals; and Items following decisions of the 2021 Assemblies of WIPO Member States and PBC 33. I would now like to move to the adoption of the agenda. I open the floor now for comments if any, since there are no requests for the floor so I understand that the Committee wishes to adopt the agenda and I would like to now read the decision:

40. The Program and Budget Committee (PBC) adopted the agenda (document WO/PBC/34/1 Prov. 3).

41. Chair: The Secretariat has already shared with you the timetable which I am proposing in order to allocate time in the most judicious manner possible. I would like to kindly limit the duration of statements to three minutes for Regional Group Coordinator statements made on behalf of their Group, and to two minutes per Member and Observer State delegations. The proposed timetable largely follows the order of the items on the draft agenda. If we move through the agenda more quickly than indicated, I will naturally bring items forward accordingly. If discussions on a particular topic are not concluded in the allocated time, any outstanding discussions will be taken up at a later stage. We will begin with general statements, followed by substantive items falling under the high-level grouping "Audit and Oversight", with Agenda Item 4: Report by the Independent Advisory Oversight Committee (IAOC) and Agenda Item 5: Report of the WIPO Independent Advisory Oversight Committee Selection Panel. In the afternoon, we will begin the session with Agenda Item 6: Report by the External Auditor, the External Auditor will be here to present the report. We will then proceed to Agenda Item 7: Annual Report by the Director of the Internal Oversight Division (IOD) and finally Agenda Item 8: Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations. For tomorrow, Tuesday morning, we will begin the session with items falling under the high-level grouping "Performance and Financial Review" with Agenda Item 9: WIPO Performance Report 2020/21, Agenda 10: Internal Oversight Division (IOD) Validation of the WIPO Performance Report 2020/21. These two items will be covered together since they are related. We will then move to Agenda Items 11 (a): Annual Financial Report and Financial Statements 2021 and 11 (c): Status of the Payment of Contributions as at May 31, 2022. In the afternoon, we will begin with Agenda Item 11(b): Update on Investments and conclude with Agenda Item 12: Annual Report on Human Resources. At the end of tomorrow and each day, we will take stock of the items covered and we will inform you of how we intend to proceed. I would like to accord a very high priority to the efficiency of our work and the timeliness of our sessions. We will start the morning sessions every day at 10 am Geneva time sharp going on until 1 pm and resuming at 3 pm for the afternoon sessions. Owing to the hybrid nature of the meeting, and as well as interpretation, we will need to close sessions at 6 pm. I will do my best to accommodate participants from different time zones. I would now like to open the floor for general statements. There is a request for the floor from the Delegation of India, speaking on behalf of the APG Group. Distinguished delegate of India you have the floor.

42. Delegation of India: Thank you Chair for giving me the floor. India has the honor of delivering the statement on behalf of the Asia and the Pacific Group (APG). APG would like to begin by congratulating you and the Vice-Chairs on your election. The Group is fully confident in your leadership to guide us through our deliberations and assures you of the Group's full support throughout this week. The Group also extends its appreciation to the Director General for his remarks and the Secretariat for preparations for this meeting to facilitate the work of this Committee towards productive outcomes ahead of the General Assembly. The 34th session of this Committee has important Agenda Items to consider. The APG Group is ready to engage constructively to ensure that this Committee fulfils its responsibility successfully. We trust the deliberations in this session will continue to be characterized by a spirit of cooperation and flexibility by all Regional Groups and Member States. Chair, the APG and its Member States will make their substantive observations under the relevant Agenda Items but overall the Group recognizes the importance of performance reporting and audit and oversight responsibilities of this Committee which contribute to further strengthening governance and enhancing transparency in the Organization. We look forward to the Report by the IAOC at the Report by the External Auditor as well as the Report by the Director of the Internal Oversight Division (IOD). And we shall make our comments under those Agenda Items. Likewise, we also look forward to the reports under the Performance and Financial Review section, including the WIPO Performance Report 2020/21 and the Annual Report on Human Resources. We also look forward to constructive discussions on the proposal which will be considered in the session. Chair, the APG hopes that the Committee will be able to make progress on the important Agenda Item of Terms of Reference for Evaluation of the WIPO External Offices, and we look forward to constructive discussions on this Agenda Item, which can facilitate an expeditious decision on this pending issue. Lastly, the Group once again reiterates its commitment to contributing positively to the deliberations and work of this Committee. I thank you, Mr. Chair.

43. Delegation of Algeria: Thank you Mr. Chair. First of all, I wish to congratulate you most warmly on your election to the Chair. I am sure that all of your experience and knowledge will guide our work successfully. Congratulations also to the other elected offices. I am making this statement on behalf of the African Group. The African Group wishes to take this opportunity to congratulate the Director General of WIPO on the very positive results achieved since his election, despite the crisis, and we know what the impact of that has been. We are also grateful to the Secretariat for the work they have done in ensuring the smooth running of our work and we also congratulate them of the high quality of documents produced. The Ambassador of Tunisia in a particularly difficult set of circumstances did an outstanding job. The African Group emphasizes the importance of the PBC as a governance and discussion body. This allows Member States to discuss strategic issues relating to the budget, finance, to auditing and oversight, and to ensure also that we can discuss results-based management and strategies when it comes to human resources placement and investment for WIPO. We believe that the planning budgeting and assessment within WIPO should result in the achievement of strategic objectives set by the Organization. The purpose of all of this being to optimize the impact of programs and strategies intended to promote creative intellectual activity and to facilitate the transfer of technology in order to accelerate economic social and cultural development for all. We have noted the audit reports and supervisory reports and particularly we noted the Reports from the IAOC and from the IOD and the External Auditor. These reports highlight the considerable organizational flexibility that exists within WIPO. This allowed us to cope with the upheaval of the COVID-19 pandemic. We also see that there are recommendations to improve internal management and governance risk management, internal auditing and the application of the principle of accountability. We believe that auditing oversight activity should be greater focused on having a management system for risk that is effective and that can evolve. We need this to guarantee that available audit resources are focused on those areas where the relative risk is highest. Further, rigorous monitoring of implementation of all recommendations that are formulated by Auditors is vital, and this should be undertaken in ongoing consultation with the management. We believe that audit and oversight activities should be focused to a greater extent on having an effective risk management system. When it comes to the Agenda

Items relating to implementation of the program and financial issues, we commend the robust performance of WIPO as reflected in the WIPO Performance Report 2020/21. We are happy to see that WIPO has been able to put in place a results-based management system in a difficult environment where we are coping with a global health crisis. This can be seen by the many achievements across-the-board. We also welcome the fact that WIPO is part of the United Nations Group for Sustainable Development. We encourage the Secretariat to appoint a Focal Point; this would be a person responsible for coordinating activities within the framework of that Group in order to strengthen the services provided and initiatives taken, so that we can help countries to benefit from innovation and creativity as they seek to overcome global challenges. Turning now to human resources, the African Group notes there are still shortcomings when it comes to geographical representation for the African Group within WIPO's Secretariat. We encourage WIPO to put in place an action plan in order to correct that and gradually increase geographical representation, especially for Member States from Africa that are underrepresented at present. We await with interest the discussion on a number of important proposals that are before us. In particular, proposal for the revision of the FRR and also the Risk Appetite Statement within WIPO, and the WIPO Funding Plan for After-Service Health Insurance (ASHI) Liabilities. The Group has also noted the draft mandate related to the assessment of the External Offices of WIPO in 2021. We hope that the Committee will succeed in defining criteria for evaluation that are objective that abide by the same standards as other UN bodies in accordance with assessment standards applicable in this area. The Group will take the floor in order to make specific observations on various Agenda Items of this session, as we go forward. Thank you.

44. Delegation of Germany: Thank you, Chair. Speaking on behalf of Group B. Mr. Chair, Group B would like to offer it warm congratulations to you and the Vice-Chairs on your election. We are confident we will be able to count on the leadership in this Committee to guide our discussions. We would also like to thank the Secretariat for its hard work in organizing this session and for preparing the documents. Group B would also like to express its continued gratitude to the External Auditor, the IAOC and the IOD for their reports to this Committee. We note they play an essential role in the audit and oversight mechanism of WIPO. To save time, for discussions ahead of us this week, our Group will deliver its substantive comments under the relevant Agenda Items. Mr. Chair, we are certain your wise guidance and our collective efforts throughout this session will lead us to fruitful discussions and positive outcomes. You can count on the full support of the Group B in this endeavor. Thank you Mr. Chair.

45. Delegation of the Dominican Republic: Thank you, Mr Chair. The Delegation of the Dominican Republic has the honour of taking the floor on behalf of the Group of Latin America and Caribbean (GRULAC). Our Group welcomes your election as Chair of this Committee. I can ensure you of our support, and proactive and constructive participation in dealing with the different items. I would also like to congratulate the Vice-Chairs. We wish to take this opportunity to thank the Director General for his leadership and the WIPO Secretariat for the preparation of the documents to be discussed at this session and the numerous briefings organized for the various Regional Groups, which have facilitated our understanding of the issues under our consideration. Chair, we have before us a broader agenda of great importance to the Organization. Most of the Agenda Items deal with Reports that are significant for the proper functioning of WIPO. I now refer to some of the Agenda Items on which we will express our views in greater detail as they come up. For our Group, the sound administration of the Organization's human and financial resources, as well as the effective and transparent use of its assets, are of the utmost importance. Therefore, we congratulate the Organization for the information contained in the Reports of the Independent Advisory Oversight Committee, and the Report to the External Auditor, whose opinion indicates that, and I quote, "in all material respects, income and expenditures have been applied to the purposes intended by the General Assembly of the World Intellectual Property Organization and financial transactions are in accordance with the Financial Regulations of the Organization." We welcome the results-based management approach that the Organization is pursuing in its activities. Which reached, and I

quote, "a higher level of maturity by the end of 2021. An element that enables the conception and implementation of the Director General's vision and main strategies, which included the transformation of the strategic framework of the Organization. Which has been structured under four strategic pillars and the foundation". GRULAC is pleased that following recommendations of the Program and Budget Committee and the approval by WIPO's General Assembly in 2021, on January 1, 2022, WIPO joined the United Nations Group for Sustainable Development. Our Group also believes that IP can play a key role in growth and development. We congratulate the appointment by the Director General of a WIPO Special Representative for the UN SDGs. We are confident of the enormous contribution that WIPO can make to achieve the SDGs and we look forward to very positive outcomes in this area. GRULAC wishes to emphasize its position on the importance of a sound language policy for the proper development and impact on the work of this Organization. Chair, I would like to end by reiterating GRULAC's commitment to work with you and the Member States to achieve a successful session of this Committee. Thank you.

46. Delegation of Slovakia: Thank you. Mr. Chair, Slovakia is honored to deliver the opening statement on behalf of the Central European and Baltic States Group (CEBS). At the outset, the CEBS Group congratulates you, Mr. Chair, and your Vice-Chairs on your election and is confident in your able guidance of the work ahead of us. We thank the Secretariat for the excellent work, especially for the preparation of all relevant documents in a timely manner, and for the engagement ahead of this session, including the organization of the briefings. Likewise, we would also like to extend our thanks to the Independent Advisory Oversight Committee (IAOC), the Internal Oversight Division (IOD), and the External Auditor, for their Reports. The CEBS Group is looking forward to fruitful and constructive discussions about the documents and proposals. With regards to the items on the Audit Oversight and Program Performance, our Group is of the view that continuous improvement of oversight enhances the performance of the Organization and the fulfilling of its mission. In addition, the CEBS Group would like to recall the importance we attach to the geographical diversity and adequate gender balance in the Organization. Furthermore, taking into account the fact that the budget was approved last year for the biennium, 2022-2023, we recognize that the issue of Draft Terms of Reference for Evaluation of WIPO External Offices and continued discussion of the Allocation Methodology should be the priorities for this week. Finally, let me reiterate the commitment of the CEBS Group to the work of this Committee, and Mr. Chair, please rest assured of our constructive engagement. Thank you.

47. Delegation of China: Thank you, Chair. On behalf of the Chinese delegation, I would like to congratulate you and the Vice-Chairs on the election. And I wish this meeting of the Committee, under your leadership, as Chair as well as the Vice-Chairs, will come to a successful outcome. China is also grateful to the Secretariat for the excellent preparation for this PBC meeting. Mr. Chair, China is very committed to this Committee, as well as all the Agenda Items to be discussed this week. As for the audit and oversight, we thank the IAOC, the Internal Oversight Division (IOD), as well as the External Auditors for the tremendous efforts in the last year, as well as the Annual Reports submitted to the meeting. We also note that the screening of the IAOC new members is coming to an end. We thank the IAOC Selection Panel, and the Secretariat for their hard work over the past six months, and we will be active in the discussion of the Report, as well as the candidates. We are very satisfied with WIPO's performance last year under the leadership of the Director General as well as other senior management members. We appreciate their efforts. Mr. Chair, China attaches great importance to the Supplementary Capital Master Plan. Based on the opinions by the Member States, there are new additions and supplements to it. We appreciate the Director General and Secretariat for their efforts to look into the cloud priority strategic data issue and the solution and will be active in the discussion around this item. Mr. Chair, there is a heavy agenda before us and we shall comply with the consensus principles for the full discussion. We assure you that we are fully prepared for this meeting and remain proactive, open, and constructive to engage with others for discussions in the coming week. Thank you Chair.

48. Delegation of Tunisia: Excellency, Ambassador, Director General, Tunisia wishes to support the statement made by Algeria on behalf of the African Group and would also like to congratulate you Chair and the Vice-Chairs and friends, Mr. José Antonio Gil Celedonio and Ms. Maria José Lamus Becerra for the confidence that the PBC has shown you. I am delighted to be back here at this important body. This is one of the pillars of WIPO's architecture because it has the responsibility of overseeing the financial stability and governance of this Organization, which we are pleased to say, are in very good shape despite the current challenges. Tunisia hopes that this can continue, and we of course need to strengthen it even further. Over this week we will be able to take stock of progress made since our last session and consolidate the work that has been done and open up new possibilities for the future of Intellectual Property. Implementing the vision of the Medium-Term Strategic Plan, which has been adopted by the Director General and his excellent team. Youth, women and employment promotion through innovation and creativity, as the vision foresees, should be at the very heart of our work and common efforts. Thank you.

49. Delegation of France: Thank you Chair. France wishes to congratulate you on your appointment as Chair, and we wish you a successful term. Of course, we would also like to congratulate the Vice-Chairs. The Delegation of France wishes to support the statement made on behalf of Group B. Chair, I would also like to greet and thank the Director General and WIPO staff for the excellent results of the Organization in terms of budget and financial performance as well as the work done to promote Intellectual Property protection in all its forms. I welcome WIPO's efforts to prepare a balanced budget designed to strengthen global Intellectual Property systems in order to make them more attractive for users, and consolidate Intellectual Property Rights in the service of growth and development of Member States. France pays tribute to the continued excellence of the WIPO Secretariat services. In the COVID-19 pandemic, they have continued to implement the work program successfully in 2020/21. My Delegation reiterates its commitment to work with you constructively in order to achieve satisfactory results for all at this 34th session of the Committee. Thank you.

50. Delegation of Spain: Thank you Mr. Chair. We congratulate you upon your election, we wish you every success and we have full trust in your leadership. We also wish to congratulate both the Vice-Chairs and their election, and we have every trust in the way in which you will steer the work of this Committee. We thank the outgoing Chair, the Representative of Tunisia for his efforts. Chair, we wish to support what has been said on behalf of Group B by the spokesperson, and we welcome the independent professional work of the Committee, which is doing its role, as it should. It has an independent view and is adjusting its work to what has been established in the Medium-Term Strategic Plan 2022-2026, which will make its Reports even more useful. We welcome its comments and its oversight, and we believe that this Committee should take note of the content of the Reports and transmit them to the General Assembly. Thank you.

51. Delegation of the United Arab Emirates: Greetings, and may God's blessings be upon you, Mr. Chair. It gives me great pleasure at the outset to express your Excellency all my congratulations for being elected. The UAE is very confident that you will come up with outcomes that will be beneficial for everyone during this new period of the Organization. I would add my voice to what was said by the Representative of the APG Group. Please allow me to see this opportunity to profusely thank and express my gratitude to the Secretariat of the WIPO for its efforts in preparing for this meeting and other meetings that preceded this one for the Regional Groups. I would like to express that we are committed through our discussions to be positive, and we hope it will be successful and will come up with outcomes to be presented at the next Assemblies. We have listened very carefully to the intervention of the Director General and we welcome the WIPO Performance Report for the biennium 2020/21, and the fact that 272 million CHF dedicated and 113 million CHF in income for the Program of Work and Budget. We also welcome the developments that are expected in income during the next biennium, and we would like to commend the Organization for its healthy financial situation. The continuous work

of WIPO in terms of certain vital services, despite the pandemic, was one of the major reasons for the success, and we look to the recovery of other sectors in the upcoming period. We also value the cooperation between this Organization and the Member States in supporting the questions of Intellectual Property. The UAE welcomes the Director General's initiative with regards to the Financial Regulations and Rules, which is compatible with the Medium-Term Strategic Plan for 2022-26. We encourage you to look into any gaps in terms of methodology since the amendments of the last Financial Regulations and Rules, and to include the administration of threats and the ICTs, and we look forward to discussing the special item with regards to this topic. With regards to the report on the implementation of the JIU recommendations, the UAE does pay a lot of attention to the special recommendations with regards to the multiple use of languages, and we thank the Organization for having a policy that has been adapted by the Assemblies of WIPO in 2021. We also emphasize that any training or improvement of linguistic skills have to include all the activities of the Organization. With regards to the External Offices of the Organization, we are encouraging Member States to agree on going forward in an objective and practical and simple manner. We value your efforts as Chair of this Committee to facilitate the discussions so that this Committee can take a decision during this session. Finally, the UAE is fully prepared to participate actively during the work of the Committee and to discuss the proposals and programs based on the Committee's plan of work. Thank you Mr. Chairperson.

52. Delegation of the Republic of Korea: Thank you Mr. Chair. The Delegation of the Republic of Korea would like to congratulate you and Vice-Chairs on your election. The Delegation of the Republic of Korea would like to thank the WIPO Secretariat for its unsparing efforts in preparing and arranging this PBC meeting. We also thank the Delegation of India for the statement on behalf of the Asia and the Pacific Group, which we support. Mr. Chair, the Republic of Korea will make our substantive observations under the relevant Agenda Item and we look forward to constructive discussions on each Agenda Item including the Terms of Reference for the Evaluation of the WIPO External Offices. Thank you.

53. Delegation of Colombia: Thank you very much indeed, Chair. I am delighted to congratulate you upon your election to Chair, this Program and Budget Committee. I would like to also congratulate the two Vice-Chairs and indicate our willingness to do everything we can to ensure that your Chairpersonship is a success. We wish to support what the Dominican Republic has said, as Coordinator for GRULAC, and we thank the Secretariat for all of the preparation and documentation for this meeting. This is the only session we will hold in 2022, and it is an opportunity to take stock of a number of very important issues for the financial and administrative management of the Organization and compliance with mandates handed down by the General Assembly. Clearly there were challenges because of the challenging international context, including those connected with monetary instability, rising inflation, and possible warnings of a global recession. One of the items that my Delegation will be referring to is the Preliminary Draft Terms of Reference for the Evaluation of External Offices. We hope that this will help us move forward with strategic decisions for the Organization, including the opening of new External Offices. Colombia is one of the countries that since 2016, has been aspiring to open an External Office, since the decision taken in the 32nd session, which read that we consider to open up to four new External offices including one in Colombia amongst the ten candidacies that have been received so far. We would like to take this opportunity to reiterate our willingness to host an External Office in the Latin American and Caribbean region in order to strengthen the work of the Organization and to meet many of the existing needs that there are in the region. Thank you.

54. Delegation Iran (Islamic Republic of): Thank you Mr. Chair. At the outset, my Delegation would like to congratulate you on your election and express our confidence in your experience and able leadership in guiding the discussions. Let me assure you of our constructive engagement and cooperation during the Committee's proceedings. We also would like to extend our appreciation to the Secretariat for their tireless efforts in the preparation of the

documents and convening 34th session of the PBC. My Delegation aligns itself with the statement delivered by India on behalf of the APG. Mr. Chair, we believe that in order to realize WIPO's mission, and vision to ensure development oriented Intellectual Property environment across the world, the work of this Committee is very important. With regard to the audit and oversight matters, my Delegation welcomed the reports provided by the IAOC, the External Auditor and the Internal Oversight Division (IOD). We recognize the importance of the audit and oversight elements of the Committee's work, which can contribute to transparency and accountability, and serve to ensure that the Organization continuously improves its management and governance system. Turning to the matter of the program performance of the financial review, we look forward to the Annual Financial Reports and Statements 2021, as well as the Annual Report on Human Resources. Mr. Chair, we would like to thank the Secretariat for the provision of the Preliminary Draft of the Terms of Reference of the 2021 Evaluation of WIPO External Offices, contained in document WO/PBC/34/15. We look forward to a constructive discussion of the Preliminary Draft of the Terms of Reference in a productive and technical manner. We will provide comments under this Agenda Item. Finally my delegation reiterates its commitment to the work of the Committee, and constructive engagement during the discussions this week. Thank you.

55. Delegation of Pakistan: Thank you very much, Mr. Chair. At the onset, Pakistan aligns itself with the statement delivered by the Asia and the Pacific Group. I also take this opportunity to congratulate you on your election as Chair of the Committee of this important Organization. My Delegation also thanks the Director General for his detailed report at the beginning of the session. My Delegation has taken note of the Reports submitted by the Secretariat, the Independent Advisory Oversight Committee (IAOC), the Internal Oversight Division (IOD), as well as the External Auditor. We would engage constructively on these reports under the relevant Agenda Item. Mr. Chair, the COVID-19 pandemic continues to cause socioeconomic disruptions globally in 2021, as also reflected in various Reports presented to this Committee. It is heartening to note that WIPO has continued to display its financial and administrative resilience, despite the COVID-19 fallout. As the global scientific and research community embarks on new technological solutions to deal with pandemic related challenges, the demand for fee-based services offered by the Organization increased in 2021. This demand can increase manifold if the innovation potential of the developing countries can be timely and adequately tapped. My Delegation believes that the current and future innovations, particularly in the global South, hold the key to solving common global challenges faced by humanity, including any potential future pandemics. WIPO has a key role in ensuring that developing countries continue to innovate. Mr. Chair, my Delegation commends WIPO for providing tailor-made technical support to the Member States. The pandemic has provided the time and opportunity for the Secretariat and Member States to prioritize national needs and develop workplans accordingly. As the health situation has started to improve worldwide, we look forward to the implementation of these projects and workplans in the current biennium. My Delegation also thanks the Secretariat for the Preliminary Draft of the Terms of Reference of the Evaluation of WIPO External Offices; we look forward to a transparent, inconclusive and constructive debate under this agenda. Please be assured of my Delegation's support full support to you during the course of this meeting. Thank you, Mr. Chair.

56. Chair: I thank the distinguished Delegate of Pakistan for his statement. There are no more requests for the floor for a general debate under this Agenda Item. I thank all the delegations that have taken the floor under this Agenda Item.

ITEM 4 REPORT BY THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)

57. Discussions were based on document WO/PBC/34/2.

58. Chair: "In accordance with the Terms of Reference, the IAOC submits a written report of its activities to the PBC. I would like to extend a warm welcome to the Chair of the IAOC, Mr. Bert Keuppens, and the Vice-Chair, Mr. Igor Ludboržs. I now request Mr. Keuppens, Chair of the IAOC to present his report."

59. Chair of the IAOC: "Thank you very much, Mr. Ambassador, Chair. Distinguished delegates, ladies and gentlemen, my name is Bert Keuppens, and I am the current elected Chair of the Independent Advisory Oversight Committee (or "the Committee"). I am accompanied by the Vice-Chair, Mr. Igor Ludboržs. I would like to take this opportunity to thank Madame Tatiana Vasileva, who chaired two of the four quarterly sessions we had during the reporting period, from July 10, 2021 to May 20, 2022. During the reporting period, all of our meetings were held virtually, and this happens to be my first visit to WIPO, since all my previous involvement during the past two and a half years was in a virtual mode. Despite these difficult circumstances, we continued to function and were able to discharge our statutory duties. We also had internal consultations by email and other platforms, to enable us to provide expert advice to WIPO, as and when needed. I shall now give you a brief summary of the important activities of the Committee, as contained in our Annual Report, document WO/PBC/34/2. With regard to Internal Oversight, the Committee reviewed and provided comments on the draft Oversight Strategy for 2022 to 2026. The Committee also reviewed the implementation of the 2021 and 2022 Workplans of the Internal Oversight Division. This included reviewing ten reports, which consisted of two consulting engagements, three audit reports, one validation report, and four evaluation reports. The Committee was apprised of the status of investigation cases and caseload trends, of the complaints received, and the complaints substantiated. One complaint was handled directly by the Committee itself during the past year. With regard to External Audit, the Committee discussed with the representatives of the External Auditor, the National Audit Office, the results of the audit of WIPO's Financial Statements for the year 2021, as well as their performance audits. The Committee noted the unqualified and keen opinions of the External Auditor, and the External Auditor's comments regarding the adequate internal control and sound financial reporting processes and practices within WIPO. With regard to Financial Reporting, the Committee found WIPO's Financial Statements to be comprehensive and detailed, with adequate disclosures in the accompanying notes. The Committee took particular note of the change in the methodology to determine the medical claims cost that had significant impact on the After Service Health Insurance liability. The Committee advised the Secretariat to closely monitor the assumptions used to determine the liability, due to the overwhelming financial impact on WIPO. With regard to Risk Management and Internal Controls, the Committee reviewed the early draft versions to the Financial Regulations and Rules, as well as the Risk Appetite Statement, document WO/PBC/34/13. It was agreed that the Secretariat would continue to monitor developments relating to sustainability reporting for inclusion into the Financial Regulations and Rules at the appropriate time. On the Risk Appetite Statement, the Committee welcomed its linkage to the Medium-Term Strategic Plan. The Committee took particular note of the Organization's overall risk appetite, which was appropriately set at "medium". With regard to the Ethics Office, the Committee reviewed the Ethics Office Annual Report for 2021, the Workplan for 2022, and the implementation thereof. The Committee noted the high number of cases relating to outside activity, and advised that the reasons behind the increasing trends be determined and analyzed. The Committee noted the general compliance to WIPO's Financial Disclosure and Declaration of Interest Policy. With regard to the Office of the Ombudsperson, the Committee discussed with the Ombudsperson, the Activity Report for 2020, and took note of the recommendations. The Committee noted that the Ombudsperson's Activity Report is now publicly available. Lastly, the Committee discussed the implementation of Oversight Recommendations, including Recommendations of the Joint Inspection Unit, as well as other matters such as the WIPO Investment Reports and the Proposed Amendments to the IAOC's Terms of Reference. With regard to the latter, the Committee considered the initial comments and feedback from Regional Groups and Member States, and concluded that it would serve the Members better to postpone the discussion. To conclude, I would like to inform Member States that the so-called fiduciary mechanisms

discussed above are functioning as intended and continue to be monitored by the Secretariat and by ourselves on behalf of Member States. While some recommendations and suggestions were made to further strengthen and fine-tune these mechanisms, the overall condition is judged adequate and reliable. Finally, on behalf of the Committee, I would like to express my appreciation to the Member States for the opportunity to brief them after each of our sessions, and I would also like to thank the Director General and the staff of the Secretariat, and the External Auditor, and in particular, Mr. Fred Anthony Samuels for his effective administrative support to the well-functioning of this Committee. We thank all of them for their availability, clarity, and openness in their regular interaction with the Committee. Thank you very much, Mr. Ambassador.”

60. Chair: I thank Mr. Bert Keuppens, for his presentation of the IAOC report. The floor is now open comments and observations by Member States. There is a request for the floor from the Delegation of Algeria, speaking on behalf of the African Group. The distinguished delegation of Algeria, you have the floor.

61. Delegation of Algeria: Thank you, Chair. Algeria is honored to make the statement on behalf of the African Group. We wish to thank Mr. Bert Keuppens for his presentation. The African Group has taken note of document WO/PBC/34/2, and of the activities undertaken by the IAOC, within WIPO, for the period under consideration. The Group notes that despite the impact of the virtual environment because of the COVID-19 pandemic, and despite its impact on the operation of the IAOC, nonetheless it was able to discharge its mandate within acceptable conditions. We welcome the fruitful exchanges that took place between the IAOC and various stakeholders responsible for management monitoring, oversight and audit. This made it possible for all the necessary information to be provided, so that the IAOC could do its job correctly. We share the view of the IAOC, as to the importance of ensuring monitoring of WIPO's commitments to After Service Health Insurance. This, in fact, is something that has increased by 121 million Swiss francs recently. That being so, it is vital to define an effective management framework for expenditure in this area, in order to bring the medium-term financial repercussions under control. The African Group supports the proposal from the IAOC, that a mechanism to give effect to the recommendations from the Ombudsperson from the 2016-2019 Report should be put in place with a timetable. We are also happy to note that the Ombudsperson's report will now be accessible to the public. We express our concern as to the delay in implementations of some top-priority recommendations, including those from the IOD, the IAOC, and the External Auditor. We therefore emphasize the immediate importance of communicating to the PBC a precise timetable for this monitoring, and we also believe that we should have a reasonable timetable for the implementation of all recommendations that are in arrears or being revised, and that all opinions from the IAOC should also be monitored. We emphasize the importance of the Ethics Office in promoting a safe workplace, free from intimidation and harassment, and preventing any kind of reprisals. We therefore encourage the Ethics Office to speed up the organization, training and awareness raising for Ethics for all staff. This should be on a regular basis and should be mandatory. We believe the human resources of the Ethics Office should be strengthened, so that the Office can do the job it is required to do appropriately. We therefore invite the Secretariat, as soon as possible, to make up for these staff shortcomings, given the increase in the number of cases to be considered by the Office. We wish to thank the members of the IAOC for their dedication, their selfless work, and their professionalism. Thank you.

62. Delegation of Germany: Thank you, Chair. I am taking the floor on behalf of Group B. Mr. Chair, Group B would like to thank the IAOC for its report contained in the document WO/PBC/34/2. We would also like to thank Mr. Bert Keuppens for his presentation. Moreover, our Group would like to express its gratitude to the IAOC for its essential role in the audit and oversight mechanism of WIPO to maintain the effectiveness, efficiency and relevance of management and activities of this Organization. We also appreciate its interaction with Member States, especially through the regularly-held Information Meetings. Group B would like to

congratulate Mr. Bert Keuppens on election as Chair, and Mr. Igor Ludboržs on his election as Vice-Chair at the 63rd session of the IAOC. We would like to thank Ms. Tatiana Vasileva for her service as Chair during the 62nd to the 63rd session. We are pleased that the self-assessment indicates that the IAOC has functioned effectively despite the challenges posed by the continuing pandemic. Our group continues to welcome the interaction of the IAOC with the External Auditor, which improves the follow-up process on recommendations and enhanced cooperation, specifically on External Audit. We note with satisfaction the comment that the continued low level of audit adjustment continues to reflect good internal control and sound financial reporting processes and practices within WIPO. We appreciate that the IAOC is taking an active role in overseeing the functions at WIPO. In that regard, we note that there is a high number of cases relating to outside activities, and that the IAOC has advised the Chief Ethics Officer to identify appropriate solutions to this emerging trend. Group B is pleased to hear that WIPO is in very good shape vis-à-vis the four recommendations resulting from the JIU's review of the ethics function in the United Nations system. We would like to close our statement by thanking the IAOC again for its excellent work, and by expressing our expectation to be able once again to interact with the IAOC in person during their regular meetings in Geneva. We are looking forward to the continued key and active role that the IAOC plays in the advisory and oversight mechanism of this Organization. Thank you, Mr. Chair.

63. Delegation of Slovakia: Thank you, Mr. Chair. The CEBS Group would like to thank the Independent Advisory Oversight Committee for the report contained in the document WO/PBC/34/2, as well as for the crucial work done in the domain of audit and oversight of the Organization, and also for reviewing various audit and evaluation reports, plans and statements. We note with pleasure the interaction between the IAOC and the Internal Oversight Division, the External Auditor, and other important actors and bodies. We believe that this significantly improves the process of the implementation of the oversight recommendations, in particular when attention has been paid to high-priority recommendations and remaining outstanding recommendations. To conclude, the CEBS Group would like to thank once more the current Committee members for their expertise and work carried out.

64. Delegation of China: Thank you, Mr. Chair. The Chinese delegation thanks the IAOC for this annual report. We appreciate and affirm the Committee's hard work and achievements over the past year. China has participated in all the briefings held by the Committee for Member States throughout the year. This delegation is very pleased to see that the Committee overcame the challenges posed by the pandemic over the past year, held all quarterly meetings virtually, and published the meeting reports in a timely manner. The IAOC has closely interacted with the Director General, Assistant Director General (AFMS), the Director of the IOD, and the External Auditor, and has provided a large number of high-quality independent expert recommendations and as well completed various WIPO internal and external reviews. China has noted that the IAOC has communicated with the Secretariat on important issues, such as the delegation of authority in the new FRR revision and the approval and revision rights of Member States. China appreciates this. China has always held that the IAOC has a unique and important role in ensuring the effectiveness and independence of WIPO's oversight functions, as well as in evaluating financial functions. China looks forward to continuing to work closely with the IAOC, to jointly help the Organization achieve some development by reviewing the implementation of various recommendations and improving relevant monitoring mechanisms. Thank you, Mr. Chair.

65. Delegation of the Russian Federation: Thank you, Chair. Chair, allow me to begin by congratulating you on your election to the Chair of this Committee. I am convinced that under your wise guidance, this session will be constructive and successful. We wish to express our thanks for the preparation and submission of the report from the IAOC, the Independent Advisory Oversight Committee. This report covered the period July 10, 2021 to May 20, 2022, the document in question is WO/PBC/34/2. We also wish to express thanks to the Chair of the IAOC and all members of the Committee for their active work. The report that has been

submitted bears witness to the fact that the Committee has productively discharged its functions during the period of the report, and it did that despite restrictions relating to the coronavirus pandemic. We support the comment made by the Committee as to the need for painstaking monitoring by the Secretariat of WIPO, of the course of implementation of recommendations that have been formulated by the Joint Inspection Unit and also the submission of corresponding reports. Thank you.

66. Delegation of Mexico: Thank you very much, Chair. Since this is the first time my delegation is taking the floor, I would like to take this opportunity of congratulating you and the Vice-Chairs on your elections and I am sure that under your leadership, we will be able to address the issues effectively. We welcome the report and the work of the Committee, in spite of the challenges connected with the COVID pandemic, and we take note of the information in the report. We would like to underscore two points: firstly, we agree with the Committee and we ask for clarification from WIPO as to how they are going to deal with cases of sexual exploitation and abuse, or indeed any form of sexual harassment. For sexual harassment, there might be an opportunity of coordinating this within a professional Ethics Office, and we would like to get further information on the analysis carried out by the Committee of this aspect. We would also like to call on the Organization to provide the Ethics Office with the necessary resources to ensure that it can carry out its functions effectively. We thank WIPO for following up the recommendation on the Ombudsman's report, and it is very good to see that it is public, and we would like that to be submitted for consideration of this Committee or the Coordination Committee. Thank you.

67. Delegation of the United States of America: Thank you, Mr. Chair. The United States wishes to congratulate the new Chair and Vice-Chairs on your election and wish you all a productive tenure. The United States aligns itself with the Group B statement, and thanks the IAOC for this informative report. We appreciate the IAOC's valuable insights and their critical role in strengthening WIPO's management. We welcome the Committee's suggestion that WIPO clarify how cases of sexual exploitation and abuse, as well as sexual harassment, should be handled. We concur that transparency of process is essential to the early steps of reporting and prompt assistance to victims. The Committee's report also noted that a pending investigation case was registered in 2020. We appreciate this highlight and emphasize that timeliness is essential to conducting meaningful investigations and creating a culture of accountability. We once again thank the Committee for performing its work faithfully and thoroughly throughout the year. Thank you.

68. Assistant Director General, Administration, Finance and Management Sector: Thank you very much, Mr. Chair. A very good afternoon everyone. I think there was, if I may, Mr. Chair, I picked up one question in particular. Forgive me if I have missed any, but there was one question in particular directed at the Secretariat, and that was around the discussion in the IAOC and the recommendation to have the Ethics Officer appointed as the focal point for sexual harassment. The Secretariat's view is that the current organizational arrangements work well. The current organizational arrangements are that IOD - my dear colleague Rajesh is in the room with us today - if you have questions or comments for him, but the IOD is the contact for all cases of sexual harassment. That was a decision that the Secretariat took. It was a decision we took that was in line with the recommendation from the JIU, the Joint Inspection Unit. The JIU recommended that where there was a focal point for sexual harassment, that focal point was the focal point that had authoritative investigative powers to look into those allegations and so, therefore, the Secretariat followed the JIU recommendation, which was to have the focal point for sexual harassment with that investigations authority, which in the case of WIPO is IOD, the Internal Oversight Division. Turning, if I may, to sexual exploitation and abuse, SEA, which is a separate but related topic, I think on SEA, we certainly see the potential for a role for the Chief Ethics Officer, and my colleagues in HR are in discussions with the Ethics Officer to establish how that might work in practice. I think again if we were exploring that path, going down that path, we will do that in a way that is consistent with the JIU recommendations in this

area, which is for it to be formally integrated into the mandate of the ethics function and, if you like, the responsibilities that are set out very formally. You will be aware, unlike some UN agencies, we do not have an extensive network of overseas offices: we have a small network of overseas offices. But it is an important area where we are looking to involve the Ethics Office and will continue to do that in a way that is consistent with both the JIU recommendations, but also of course, I think some guidance that has come from the Chief Executives Board in recent years, and we remain very active in that form as well. I will pause there, happy to take further questions, as Members find useful.

69. Delegation of Algeria: Thank you, Mr. Chair. The African Group notes that the member of the IAOC, Mr. Othman Sharif, representing the African Group, resigned in March 2021. We note that the Terms of Reference of the IAOC indicate that, in case of resignation or demise of a member of the IAOC during his or her term, a roster or pool of experts, identified during the Selection Process, may be used in order to appoint a replacement, to complete the vacancy of the terms of the office. The Group would like to enquire whether consideration was given to appointing a new member to replace the member who resigned. Thank you.

70. Chair of the IAOC: Thank you for this very useful question. Indeed, the Committee had to function with the absence of the representative – not a representative, but the member chosen from the African Group, and very much regretted so. It was also difficult to continue to operate in a virtual environment, and sometimes we had a hard time reaching quorum. As far as the procedures to reappoint a member, I would turn to the Secretariat, but I believe one issue was that the person in question never formally resigned. He indicated his intention of conflict of interest, but there was no formal resignation and, I believe, I stand to be corrected by our legal colleague, but that was an unfortunate coincidence and I would hope that in the future, if there was such a recurrence, perhaps we could prompt such a member to officially resign. I understand that was the case. But may be because of COVID, this formal resignation never came on the table and that is why there was no replacement. But I stand to be corrected and I would very much welcome the legal view on this, thank you.

71. Secretariat: Thank you, Mr. Chair and to the Chair of the IAOC. We wholeheartedly concur with that view, I think the reason the Committee did not go through the process that set out to appoint a replacement is because we did not receive an official notice of resignation, so therefore we were not in a position to do so. Thank you, Chair.

72. Chair: As there were no further requests for the floor, the Chair proceeded to read out the decision paragraph, which was adopted.

73. The Program and Budget Committee (PBC) recommended to the WIPO General Assembly to take note of the “Report by the WIPO Independent Advisory Oversight Committee (IAOC)” (document WO/PBC/34/2).

ITEM 5 REPORT OF THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE SELECTION PANEL

74. Discussions were based on document WO/PBC/34/3.

75. Chair: “We will now proceed to consider Agenda Item 5, Report of the WIPO Independent Advisory Oversight Committee selection panel. As per Annex III “Terms of Reference of the WIPO Independent Advisory Oversight Committee”, of the Financial Regulations and Rules of WIPO, paragraph 5(a) of Section C “Membership and Qualifications” stipulates that “The rotation mechanism for the IAOC members will be as follows: (a) All members of the IAOC shall be appointed for a term of three years, renewable once. No member of the IAOC shall serve for

more than six years in aggregate.” It may be recalled that, in accordance with the mechanism approved by the Member States in 2010, as contained in document WO/GA/39/13, a Selection Panel will recommend the new candidates of the IAOC to the Program and Budget Committee for its approval. Following the Selection Process of 2016, five members of the WIPO Independent Advisory Oversight Committee were appointed to the Committee. They accepted the appointment and took up their duties on February 1, 2017. The Committee members have accepted the renewal of their initial three-year appointment, and will step down on January 31, 2023. They are Mr. Othman Sharif from the African Group, Mr. Mukesh Arya from Asia and the Pacific Group, Ms. Tatiana Vasileva from the Group of Central Asia, Caucasus and Eastern European Countries (CACEEC), Mr. Zhang Long from China, and Ms. Maria Vicien-Milburn from GRULAC. Following the Selection Process of 2019, two new members were appointed to the WIPO Independent Advisory Oversight Committee and took up their duties on February 1, 2020. Both are expected to accept the renewal of their initial three-year contract and will continue until January 31, 2026. They are Mr. Bert Keuppens from Group B, and Mr. Igor Ludboržs from CEBS. The Selection Panel for the election of five new IAOC members was comprised of the following members: His Excellency, Ambassador Puneet Agrawal, who served as the Chair, Ms. Carole Bremeersch, who served as Vice-Chair, Mr. Mandla Nkabeni, Mr. Yuriy Spirin, Mr. Petr Fiala, Mr. Zheng Xu (who was replaced by Mr. Xiang He), and Mr. Walter J. Chamorro Milto. Ms. Arendina Koppe, Head, Administrative Law Section, Office of the Legal Counsel, was designated by the WIPO Secretariat as the Secretary to the Panel. I shall now pass the floor to His Excellency, Ambassador Puneet Agrawal, Chair of the Independent Advisory Oversight Committee Selection Panel, to present his report. I invite him to join the podium.”

76. Chair of the IAOC Selection Panel: “Thank you, Mr. Chair. Good afternoon to all of you. I am Ambassador Puneet Agrawal, Chair of the Selection Panel. At the outset, I would like to thank the members of the Selection Panel, and the Secretary of the Panel, Head, Administrative Law Section in the Office of the Legal Counsel, who has helped us in this process. As the Member States will be aware, five members of the IAOC needed to be replaced, one member each from the following groups of Member States: the African Group, the Asia and the Pacific Group, the Group of Central Asia, Caucasus and Eastern European Countries, China, and the Group of Countries of Latin America and the Caribbean, referred to in the report as the priority groups. The entire selection process was undertaken in line with the selection procedure, as provided for in Annex IV of the Financial Regulations and Rules as adopted by the WIPO General Assembly at its 62nd session in October 2021. The process has culminated in the report with the reference WO/PBC/34/3, which contains the recommendations of the Selection Panel. Before highlighting the main elements of the process, I would like to emphasize that the process was Member State driven. The process is described in detail in the report itself, but I would like to highlight the following elements: a total of 114 applications were received; out of which, 71 met the eligibility requirements. The eligible applications were forwarded to the IAOC for a ranking-based assessment, with the names and the nationalities of the candidates suppressed. The IAOC then ranked the candidates using an evaluation matrix that had been prepared by the Selection Panel, and in relation to which the IAOC had been consulted. The IAOC passed its assessment to the Selection Panel, following which the names and nationalities were restored. The Selection Panel considered the IAOC’s ranking-based assessment and established a shortlist of 18 candidates that it wished to interview. One candidate subsequently withdrew her candidature at this point. The 17 interviews took place via videoconference. The Selection Panel included questions in relation to areas that were not possible to assess on the basis of the paper applications. I would like to point out that despite the Panel’s best efforts, and notwithstanding the inclusion of female candidates on the shortlist for interview, it regrets that the gender balance could not be achieved during this round of recruitment. It further recognized that the initial pool of eligible female candidates was half of that of the male candidates. The Selection Panel recommends the five candidates coming from each of the five priority groups. The summary biographies are attached to the report. I would like to emphasize that the process was thorough and fair, that there was a good pool of

applicants, that the IAOC was involved, and that the outcome represents the best and most suitable candidates, taking into account the overall composition of skills and experience required for a position on the IAOC. I thank you Mr. Chairperson for giving me the floor.”

77. Delegation of Algeria: Thank you, Mr. Chair. The African Group would like to thank the Chair of the panel for the introduction of his report. We extend our gratitude to all the members of the Selection Panel for their efforts in carrying out the important task of identifying five new members of the Independent Advisory Oversight Committee, in line with the selection procedure for the members of the IAOC and the Terms of Reference of this organ. The Group also thanks the Head, Administrative Law Section, Office of the Legal Counsel, who acted as Secretary to the Panel, for the valuable support provided to the Panel. The African Group reiterates its support for the work done by the IAOC as part of the oversight mechanism at WIPO and in assisting the PBC and the General Assembly to execute their oversight responsibilities. As such, it is imperative for the IAOC to have in its ranks qualified and experienced individuals who will carry out the mandate of the Committee with dedication and in an independent manner. The African Group welcomes the recommendations of the Selection Panel on the five new members of the IAOC to replace the outgoing members from the African Group, APG, China, CACEEC and GRULAC. We note that the decisions of the Panel on four of the candidates were carried out by consensus, and that in one instance where there was no consensus, the relevant rules of procedure were followed. The biographies of the recommended candidates are impressive and we welcome the mixture of different skills and expertise among all five. We are confident that, should the PBC approve the recommendations, the new members will contribute positively to the work of the IAOC. While the African Group has no doubt that the recommended candidates will do great jobs in their new roles as IAOC members, we cannot hide our disappointment at the fact that all five recommended candidates are male. This will mean that the new IAOC will consist of only males. We consider this to be an undesirable situation, and we hope that in the future, for recruitments for the new IAOC members, the gender balance will be respected. That being said, Mr. Chair, the African Group is ready to give its approval for the appointment of the five recommended candidates for membership of the IAOC. Thank you.

78. Delegation of India: Thank you for giving me the floor. The Asia and the Pacific Group would like to thank the Chair of the IAOC Selection Panel for the report and the entire Selection Panel for their time and efforts in carrying out the selection process and recommending a capable group of five individuals to join the WIPO Independent Advisory Oversight Committee. The Asia and the Pacific Group would also like to thank the outgoing IAOC members for their valuable contribution in strengthening WIPO governance. The APG extends its best wishes to the new members of the IAOC, and looks forward to the continued collaboration and constructive engagement of the IAOC with the Secretariat and Member States, with the goal of strengthening oversight functions at WIPO and continuing to improve its governance. Thank you, Mr. Chair.

79. Delegation of Germany: Thank you, Chair. I am making the statement on behalf of Group B. Mr. Chair, Group B thanks the Secretariat for the preparation of this document containing an overview of the selection process, and the Selection Panel's recommended candidates. We have no objections to the recommendations made. However, we note with regret that the Panel could not recommend any female candidates, and we will seek to ensure gender representation and gender balance in the next rounds of recruitment. Thank you, Mr. Chair.

80. Delegation of Slovakia: Thank you, Mr. Chair. The CEBS Group would like to thank the Secretariat for the preparation of the document WO/PBC/34/3, and for the updates on proceedings of the selection of five new members of the IAOC. Based on this document, we recognize that a number of meetings and consultations between members of the Selection Panel were held, and therefore we would equally wish to thank the Chair of the Selection Panel, His Excellency Ambassador Puneet Agrawal, as well as the other members of the Panel for

their work. We also noted that the representatives of the CEBS Group and Group B were elected as IAOC members in previous years, and now the Selection Panel recommends five new candidates from other Regional Groups to the PBC for its approval. We believe that the proposed new members from the five Regional Groups are highly qualified and would be able to perform their task as new IAOC members very efficiently. We congratulate them on receiving the support of the Selection Panel, and we are ready to endorse the proposed recommendations for members by the Selection Panel. Thank you.

81. Delegation of China: Thank you, Chair. The Chinese Delegation thanks the Secretariat for preparing this meeting document. Since the end of 2021 when the new round of elections of IAOC members started, the WIPO Secretariat and the current IAOC members and the Selection Panel worked together and completed the open recruitment, the qualification, the ranking interview and background investigation and other efforts. China would like to thank all the parties involved, especially the Selection Panel members and the Secretariat for their hard work. China would also like to thank the five outgoing IAOC members, especially during the pandemic for their hard effort and contribution to WIPO governance. China welcomes the incoming five IAOC members and would like to, as before, support the IAOC effort. Thank you, Chair.

82. Delegation of the Dominican Republic: Thank you, Chair. I am speaking on behalf of GRULAC. I am very grateful for the report, which describes the procedure in a very transparent way, and we have no objections to the way in which things have been done; we just regret that it has not been possible to maintain gender balance. Thank you, Chair.

83. Delegation of the Russian Federation: Thank you, Chair. I am speaking as the Regional Coordinator for the CACEEC Group. We would like to thank the Secretariat and the Selection Panel for the IAOC for the preparation of this report and for the presentation of it. Our Regional Group welcomes the appointment of members of the Committee, including a member from Turkmenistan, that is to say a representative of our Group. We very much hope that, thanks to these diverse academic preparation, and the broad international experience of work in the public sector, he will make a substantive contribution to the work of the Committee. We are deeply convinced that it is inadmissible to politicize the process of the selection of candidates for expert bodies within WIPO. It is our hope that priority importance when taking decisions of this type, that is to say decisions relating to the selection of candidates, will be based purely on the experience and professional level of candidates. Thank you.

84. Delegation of the United States of America: Thank you, Mr. Chair. The United States aligns itself with the Group B statement. We thank the Selection Panel for their work. The selected members' biographies detail the candidates' notable qualifications, including experience serving in roles with audit, accounting and oversight responsibilities. However, we are alarmed that the Selection Panel, a panel which included only one female member on the seven-person panel, selected five male candidates for addition to the IAOC. As a result of this new membership, the IAOC will be an all-male body. The report states that gender balance could not be achieved, but this belies the fact that not only was the recruitment unable to attain gender balance, but it failed to attain any gender representation. While the report notes that the pool of eligible female candidates was half of that of the male candidates, we are hopeful that the next iteration of the IAOC recruitment will include expanded efforts to identify and attract qualified candidates, both male and female. Thank you, Mr. Chair.

85. Delegation of Canada: Thank you, Mr. Chair. Congratulations on your nomination, as well as to the Vice-Chairs. Canada thanks the Secretariat for this report and the Selection Panel for its work. Canada congratulates the recommended candidates and thanks them for their expected contribution to an essential component of WIPO's oversight structure. Should the PBC approve the recommendations of the Panel, the IAOC will not count a single woman within its members. Canada does not question the qualifications and expertise of the

candidates, however this regrettable result will contradict efforts within the Organization to achieve gender balance, and deprive the IAOC of a crucial perspective. Canada aligns itself with Group B's comments on this matter and encourages Member States to consider ways to ensure better gender representation and gender balance in future recruitment rounds. Thank you.

86. Delegation of the Russian Federation: Thank you Chair, for giving me the floor. The Russian Federation wishes to endorse the statement made by the Regional Coordinator of the CACEEC Group. We also wish to thank the Chair and members of the Selection Panel for the work done on selecting new members of the IAOC. Special thanks are due to the Secretariat for the help provided at all stages in the work of the Selection Panel. As you know, the work of Human Resources Specialists is frequently delicate in nature, but the distinguishing feature of their professionalism is impartiality. It is that factor, alongside the search for candidates, who have a high level of suitability for the job, competence, and good faith, it is that factor that alongside those things should to an equal extent be the basis, both for the hiring of staff and for the selection of new members for expert bodies in this Organization. Sadly, as far as we understand it, in the course of the selection of candidates for the IAOC, difficulties arose, caused by the politically engaged position of some members of the Selection Panel. In that connection, it was not possible to reach consensus, and this is referred to in paragraph 28 of the report. Such an approach jeopardizes the effectiveness of the work of the IAOC. However, we hope that this kind of situation will be avoided in future, and that the key elements in selecting candidates will remain the impartiality of those who are selecting and the professional qualities of those who are selected. Further, our Delegation is happy to note that all five persons who are recommended for approval by the Selection Panel, including the representative from our Regional Group, are strong candidates, and we undoubtedly support the decision. We wish the IAOC in its new format every success in continuing to discharge the mandate of the Committee at a high level, as it did in the past, and we sincerely thank those members of the IAOC for their work, that is to say those whose term of office comes to an end next year. Thank you.

87. Chair: At this stage, I do not see a request for the floor, I therefore propose to the Committee to adopt the following decision.

88. “The Program and Budget Committee (PBC) approved the recommendations of the Selection Panel for selection of five new members of the WIPO Independent Advisory Oversight Committee (IAOC), which appear in paragraph 33 of the Selection Panel's Report (document WO/PBC/34/3).”

ITEM 6 REPORT BY THE EXTERNAL AUDITOR

89. Discussions were based on document WO/PBC/34/4.

90. Chair: “Distinguished Delegates, members of the Secretariat, ladies and gentlemen, a very good afternoon to you, I hope you have had a good rest and a good lunch. We will start our afternoon session with Agenda Item 6: Report by the External Auditor. The document which we will be considering is under agenda item WO/PBC/34/4. According to Chapter 8, Regulation 8.11 of the WIPO Financial Regulations and Rules, ‘the reports of the External Auditor on the Annual Financial Statements, together with reports from other audits, shall be transmitted to the General Assembly, to other Assemblies of WIPO Member States and of the Unions through the Program and Budget Committee, together with the audited Annual Financial Statements, in accordance with any directions given by the General Assembly, other Assemblies of WIPO Member States and of the Unions.’ I now welcome the External Auditors,

Mr. Damian Brewitt, Director and Mr. Simon Irwin, Audit Manager, National Audit Office UK (NAO). I request the External Auditor, Mr. Damian Brewitt to join me on the podium.”

91. External Auditor: “Thank you very much Chair, distinguished delegates, good afternoon. On behalf of the Comptroller and Auditor General of the United Kingdom, I am particularly pleased to have this opportunity to present the findings from our audit here in person this year. It continues to be important to us that we engage you as a Committee on the issues we highlight in our reporting. This provides you with independent and objective insight in accordance with the Terms of Reference under which we are appointed. In my presentation I would like to cover the four main areas of our work, firstly the audit of the Financial Statements and financial management, and I will then cover the two substantive topics which are contained in our report, namely governance and internal control, and our review of the revenue forecasting models. We have also performed a more detailed follow-up on our previous review of Human Resources Management. Turning first to the results of our audit of the Financial Statements, I am pleased to confirm that the External Auditor’s opinion was unqualified again this year, and that the audit revealed no errors or weaknesses which we considered material to the accuracy, completeness, and validity of the Financial Statements as a whole. Our audit also focuses on whether the transactions have occurred in line with the Financial Regulations set by Member States. WIPO’s Financial Statements and accompanying financial commentary remain of high quality, they are supported by sound systems of internal controls and reporting. Overall, our audit results were positive and identified no significant errors or control weaknesses. We reported the detail of this work to the IAOC with whom we have had a good productive engagement. On financial management, overall, WIPO has maintained a sound financial position, this is primarily due to WIPO’s cash generating business model. It has made substantial investments in its property estate and holds significant retained reserves, which are significantly backed by cash and investments, which are more than sufficient to meet its total liabilities. It remains important that as WIPO changes its operating arrangements post-pandemic, that the utilization of these significant assets is kept under review to seek opportunities to best utilize the estate. As highlighted previously, the differing financial performance and position for each Union demonstrates how reliant the Organization is on the PCT and Madrid Unions which, especially with the PCT, compensate for the deficits reported by the Hague and Lisbon Unions to cover the fixed costs of WIPO. We have again highlighted the continued growth of the employee benefits liabilities. These predominantly comprise the staff members’ after-service health insurance, their repatriation entitlements and accumulated leave balances. During 2021, the overall liabilities for these staff benefits increased by a further 120 million Swiss francs to 616 million Swiss francs. Assuming current assumptions remain consistent, WIPO forecasts that the liability for the after-service health insurance is projected to increase further to 716 million Swiss francs by 2025. These benefits will consume a growing proportion of WIPO’s future revenues. We recommended last year that Member States consider the options for mitigating the potential future growth of such liabilities. And we understand that the Secretariat has now completed its Asset and Liability Study, and we will look at the arrangements in the proposals that have been put forward as part of our audit over the coming year. Moving now to the first topic area of our performance reporting, which speaks to the issues of governance and internal control which help provide Member States with confidence and assurance over the management of resources. Our audit has continued to conclude that WIPO has sound systems of internal control and no significant weaknesses have come to our attention during the audit process. The Organization has always been proactive in its approach to internal control, and we have noted the proposals to amend the Financial Regulations, the evolving nature of compliance, the development of a revised Risk Appetite Statement and pending changes within the Internal Oversight Division (IOD). As Members will know, WIPO are proposing certain changes to its Financial Regulations. The objective is to modernize and streamline these, reflecting current practices and the new organizational structures. The proposals also address important gaps within the existing Regulations, in areas such as partnership working and the management of liabilities. We provided early feedback on the Secretariat’s proposals and our overall conclusion is that the revised structure provides a more

coherent framework. We highlight that they are benefits of a post-implementation review to allow for any adaptation of any of these Regulations in the light of experience in their initial implementation. WIPO has a well-developed approach to reviewing compliance with the identified controls. We have reviewed the processes undertaken and made observations to further mature the approach. We have highlighted the need to focus more on the key controls. Greater assurance over the significant key controls will create efficiencies, to inform management on the quality and effectiveness of the most important and material elements of the system of internal control framework. It remains important for WIPO to ensure the completeness of the assessment; and we have noted that over the last few years new areas have been added to this review. Mindful of our observations, we continue to see WIPO as having one of the better approaches to compliance within the UN system. Since the start of our mandate in 2018, we have supported WIPO's ambition to adopt data analytics to provide a greater breadth of assurance over the operation of the control environment. Analytics provide cost effective and systematic tools to provide feedback on the operation of controls, to inform management on areas of risk and the scope for their improvement. There have been delays in implementing the approach arising from how data is stored, but we strongly encourage management to move forward in the delivery of at least some analytics to inform the way in which the Organization may deploy these more widely. Several different areas within the Secretariat are developing their own analytics, it is important that WIPO's investment in these tools is approached in a holistic manner, avoiding duplication of effort, and ensuring expertise can be developed and shared across a common platform. On risk management, we have noted the positive development of a clear and concise Risk Appetite Statement in consultation with Member States and this has been focused on the Expected Results of the Organization. In our view, the articulation of the risk tolerance and the appetite provides a platform against which WIPO can focus its resources, assess the effectiveness of mitigating actions and demonstrate its management of risks. The Statement is amongst the clearest we have seen, and we will consider how WIPO is using this to inform and determine its approach to risk in our future audits. We have noted the work and operation of the Risk Management Group (RMG), which is chaired by the Director General. It considers the most significant risks facing the Organization, and how these are being managed. We believe that there is scope to review how the RMG obtains assurance over Sector level risks and on the level of challenge on these and their associated mitigations. A key source of independent and objective assurance to support the Director General is the work of the Internal Oversight Division (IOD). We have reflected on the inevitable changes which will arise from the term limit of the current Director of the IOD. As the Organization evolves to become more data driven and refines its approach to controls, it will be important to ensure that both the mandate and shape of the IOD's activities are reviewed, alongside the skills and capabilities needed in light of the structural and cultural changes which will take place in the Organization. We have highlighted that the move towards an annual audit opinion will further increase the importance of the risk-based work, to ensure it is focused on the areas of greatest importance and materiality. Turning now to our review of the revenue forecasting models, last year we observed that WIPO regularly exceeded its fee revenue target and consistently underspent against its expenses budget, leading to surpluses higher than those originally anticipated. We therefore decided to review the basis for the modelling of revenues as a key element of the assumptions under-pinning the budget. The models were designed in-house to provide information on expected future filing volumes and corresponding fees from the WIPO Global IP Systems. The level of filing activity is a key driver for certain variable cost elements of WIPO's program budget expenditure, for example translation services. The majority of WIPO's costs are fixed by their nature and influenced by inflationary factors and changes arising from the implementation of new initiatives and less dependent on filing activity. We applied a survey-based review to assess the model and our analysis of the modelling results, together with our wider considerations formed the information that we have provided in our report. Our work confirmed that the model achieves its purpose of providing a reasonable basis for planning and budgeting. While further enhancements could be made to areas such as the model's governance, these are unlikely to have any real cost-benefits. Over time, the model

has demonstrated its reliability and we had no recommendations to make following our review. Overall, our review has highlighted WIPO's prudence in its financial planning which minimizes the risk to Member States but does increase the potential for consistently exceeding forecast surplus. We continue to urge Member States to take a strategic approach to how these surplus funds are best utilized by the Organization. On our follow-up of Human Resources Management, in 2018, we reviewed how WIPO reported its performance in this area, with reference to the work of the Human Resources Management Department (HRMD). In the context of this review, we made a series of recommendations for improvement. We have deferred our review of the progress in the implementation of these recommendations as a result of the pandemic and the development of the new HR Strategy. This strategy has refocused WIPO's approach to HR issues and has led to significant structural and strategic changes. Overall, we are pleased to report positive progress in all the areas we previously recommended. HRMD has been restructured around the delivery of seven organizational objectives, and its work contributes to several Expected Results. The restructure provides greater emphasis on priority areas and supports a better framework for HRMD to progress from a transactional to a more strategic function in the way it supports the Organization and its staff. This will be underpinned by enhanced performance reporting and compliance activities, creating better information for decision making and efficiency. The new HRMD strategy has placed considerable focus on issues of diversity and talent management, addressing areas we identified as needing attention. The plans established in these areas should help deliver a better skilled workforce matching the needs of WIPO with the aspirations of staff. There is a greater emphasis on the effectiveness of training and its contribution to staff development and to the Organization. Specific attention is being given to strengthening training and skills in leadership and management. These changes provide the opportunity to support improved workforce planning and delivery of a more agile workforce to meet future needs. HRMD has strengthened its arrangements and approach to the management of staff absences, improving compliance monitoring and establishing parameters for actions and interventions when staff are absent. These arrangements should deliver benefits in reducing WIPO's absence levels and providing enhanced support for a successful return for individuals. Over time, further refinement can be made to these processes by reviewing the timescales for intervention and by benchmarking levels of absence with other entities. Finally, we welcome the move to enhanced staff engagement, which is supporting a culture of change at WIPO. Underpinning this is the use of new tools and communications with staff, such as staff surveys. These are being used to frequently track employee experience and provide information to monitor the impact of changes and the effectiveness of the new strategy. It will be important for management to monitor the level of response; experience shows that where actions are not taken this can impact on engagement participation and scores and may put the achievement of the new strategies at risk. Whilst it is too early to assess the impact of the HR changes overall, sound frameworks have been established to position the Organization to address the key areas we identified in our 2018 Report. We are content that the recommendations we made have been addressed through the actions taken. Given these are new initiatives, time will tell what impact they will have on the Organization and its performance and we will look at these longer term impacts over the remaining period of our mandate. To conclude, I can confirm that progress was made in closing and implementing six other recommendations from previous years, with nine recommendations remaining in progress. These mostly relate to ongoing actions arising from our report last year. Finally, I would like to express my thanks to the Director General and the staff of WIPO for their support and cooperation in facilitating our audit. Thank you for your kind attention and I would be very happy to take any questions or to provide further clarification on our Audit Report. Chair, thank you very much.

92. Chair: I thank Mr. Damian Brewitt for his presentation and also for his readiness to answer any questions and observations you should have. Now I would invite Member States to take note of observations and comments if any. We start our discussion with Algeria. Distinguished delegation of Algeria, you have the floor.

93. Delegation of Algeria: Thank you Mr. Chair. Algeria has the honor of making this statement on behalf of the African Group. The African Group takes note of the report from the External Auditor contained in WO/PBC/34/4 and thanks him for his excellent work which was carried out despite the ongoing difficulties linked to COVID-19. The African Group welcomes the opinion of the External Auditor concerning the quality of the WIPO's Financial Statements which are in conformity with international accounting standards and do not contain any particular anomalies thanks to the good governance ensured by the management. The African Group notes with satisfaction that the sound financial situation of WIPO in 2021 enables it to continue its activities serenely along the same lines as in previous years. However, many uncertainties continue to weigh upon global economic outlooks, justifying keeping a vigilant approach. Our Group shares the opinion of the External Auditor that there was a need to adopt a strategic approach as to the way in which the surplus funds of WIPO are being used in order better to serve the strategic goals set by the Organization while respecting prudent rules. Furthermore, there is a considerable increase in commitments under ASHI which should reach 715.5 million Swiss francs in 2025 which could compromise the financial viability of WIPO. In this connection it is important to ensure that this expenditure item is kept under control within the framework of a medium and long-term global management strategy. As to the management of human resources, in our opinion the Report is incomplete to the extent that it does not take account of chronic questions, linked to diversity within WIPO's staff. Both concerning gender and also on geographical balance, it is for the External Auditor to look at this more closely in his forthcoming report and to make a recommendation in this regard. Concerning the Financial Report, it is important to take account of all the initiatives taken by WIPO for the implementation of strategic objectives, as contained in the program and budget. Particularly within the development agenda and the Sustainable Development Goals (SDG). As to the environment in WIPO, for supervision, it is important to ensure the rationalization of the control process according to a risk management grid, which is well-defined in order to avoid duplication and overlap, while ensuring that we focus on available resources of the Controller, for essential qualitative operations for control and evaluation. The African Group notes the comment of the External Auditor concerning the drafting of a statement concerning an acceptable level of risk management, in other words a Risk Appetite Statement and would like to stress the importance of providing guarantees for accountability in order to make it possible for Member States to assess the degree of tolerance depending upon the constraints which weigh upon decision-making. Lastly, the African Group encourages the WIPO Secretariat diligently to implement the recommendations contained in the report and to continue with the progress already made in implementing previous recommendations. Thank you.

94. Delegation of India: Thank you Chair. India has the honor of delivering the statement on behalf of the APG. The APG would like to thank the External Auditor, the National Audit Office (NAO) of the United Kingdom, for presenting the comprehensive results of their audit. The Group welcomes the External Auditor's observation of WIPO's strong financial performance in 2021 and that the Organization remains well placed to respond to the continued global economic uncertainty. The Group is heartened to note that WIPO has sound systems of internal control and no significant weakness that have arisen during this audit process, despite the continued challenges of the pandemic. The Group also notes the recommendation to take a strategic approach to how surplus funds are best utilized by the Organization. Same goes for the observations, to help further mature the approach to reviewing compliance. Overall, the Group notes the positive acceptance of the recommendations by WIPO's management and looks forward to the implementation. I thank you Chair.

95. Delegation of Germany: Thank you Chair. I deliver this statement on behalf of Group B. Mr. Chair, Group B would like to thank the External Auditor for its Report on the 2021 Financial Statements contained in document WO/PBC/34/4 and thank Mr. Damien Brewitt of the UK National Audit Office (NAO) for the presentation. The Report is an important source of information for this committee. Our thanks also go to the Secretariat for its response to the three recommendations by the External Auditor. Group B notes the External Auditor has issued

an unqualified opinion regarding the audit on WIPO's Financial Statement and congratulates the Secretariat for this result. Regarding financial management, we are pleased that the External Auditor has assessed the financial health of the WIPO and concluded that the Organization is well placed to respond to the continued global uncertainty. We note an increase in expenditures compared to the year before, which is predominantly due to changes in the long-term employee benefits. Overall, we are pleased to see a considerable budget surplus. Group B takes note of the continued growth of employee benefits liabilities. We are concerned by the predicted further growth of the after-service health insurance (ASHI) liabilities. In this regard we thank the Secretariat for the proposal of a financing plan to manage risks arising from long-term employee benefits at WIPO which will be addressed under Agenda Item 16. We welcome the External Auditor's review of governance and control mechanisms. We note that there is a positive assessment of many of these mechanisms. However, we note the External Auditor identified delays in those analytics, to provide broader assurance over the operation of the control environment. The Auditor recommended that WIPO should ensure recommending a holistic approach and strategy to develop and deploy that analytics, that serves the needs of the users within the organization and create synergies. We welcome the fact that the Secretariat accepts this recommendation and would welcome further details about the envisaged implementation. Regarding 23 recommendations of previous years that remain open, we note with satisfaction that 14 recommendations have been closed. However, this leaves 9 recommendations which remain in progress. We encourage WIPO to further advance the implementation of the remaining recommendations. Thank you, Mr. Chair.

96. Delegation of Slovakia: Mr. Chair, on behalf of CEBS Group, I would like to thank the External Auditor for the Report on the 2021 WIPO Financial Statements, and for the presentation of the audit results. We note with satisfaction that for the year 2021, the Financial Statements remain of high quality, supported by sound systems of internal controls and reporting, which shows that effective governance without any significant weaknesses forms an integral part of the Organization. The CEBS Group is also pleased that WIPO continues to deliver sound financial performance in 2021 and despite the continued challenges of the pandemic; the Organization keeps a healthy reserve position and is well placed to respond to the continued global economic uncertainty. The CEBS Group also notes with particular interest, External Auditor's recent recommendations, and prior year's recommendations, taking into account that 14 recommendations out of 23, including some important recommendations regarding the matter of WIPO External Offices, have been closed by either being implemented or overtaken by events. Therefore, we encourage the Organization to continue implementing the remaining recommendations. Thank you, Mr. Chair.

97. Delegation of the Russian Federation: Thank you very much, Chair. We would like to thank the external auditor for preparing the report for his presentation, we are grateful for the document WO/PBC/34/4. We are grateful with the presentation of that Report as well. The Russian Federation notes with satisfaction the auditing conclusion on the attainment of higher financial indicators of the Organization. We are also grateful for the stable work in the context of global economic uncertainty. I am delighted to note that the Organization was ready to respond to the challenges that have risen since, in a swift fashion it had erected a system of planning to respond to emergency situations. We thank the Secretariat for taking the necessary steps and also for the fact they guaranteed the smooth work of the Organization in the context of partial and full remote work of staff. We call upon the External Auditor to pay attention to greater detailed monitoring of future expenditure, including connected with the payment of entitlements, and medical insurance. Given that the payment of entitlements to staff continues to be a major risk factor for the financial situation of WIPO, we feel that more detailed data on future expenditure will be useful to allow Member States to properly assess the situation. It will be vital for the Secretariat to strictly implement the recommendations of the External Auditor and to provide regular updates to Member States. We hope that all the open recommendations will be fulfilled as soon as possible. Thank you very much, Chair.

98. Delegation of Spain: Thank you very much, Mr. Chair. We wish to associate ourselves with the statement that our spokesperson for Group B made, and we are grateful to the External Auditor for the thorough and detailed report which highlights the fact that despite the difficulties encountered in 2021, cooperation from the Finance Division was exemplary. We congratulate the Secretariat for the results of this external audit, which highlights WIPO as one of the best systems of internal control, analyzed within the United Nations. This Report highlights the sound financial management carried out based on a prudent approach, but as we shall see later, we associate ourselves with the idea of the External Auditor, about having a good debate concerning the use of budgetary surpluses, from the recurrent surplus of WIPO. We believe these surpluses can be invested appropriately by providing services and more assistance to Member States. For instance, through activity programs in different sectors. Generally speaking, the Spanish Delegation wishes to remind the Secretariat, the External Auditor, and the other Member States, that the fees for WIPO services and its modelling must take account not only of statistical, mathematical and technical elements, but also strategic and holistic aspects. Since, as we recall, the systems for international intellectual property co-exist with regional systems and national systems, and although independent of each other, they do influence the perception of users as a whole. We therefore request that in any future determination of possible changes, this be borne in mind, and discussed with Member States. Thank you very much, Sir.

99. The Delegation of Pakistan: Thank you very much, Mr. President. My Delegation thanks the External Auditor for the Report as contained in document WO/PBC/34/4. We note with satisfaction that Financial Statements remain of high quality, supported by sound systems of internal control and reporting. It is also gratifying to note WIPO's strong financial performance in 2021 with increasing net assets and revenue. Mr. President, as also highlighted by other Regional Groups and Member States, the rising medical related liabilities of the Organization were also forecasted by last year's External Auditor's Report. This year's IAOC report also alludes to important changes in the methodology, to determine the medical claims costs with a significant impact on ASHI liability which increased by 121 million CHF. Also, according to the External Auditor's Report, employee benefits continue to represent the greatest area of risk to WIPO's financial health. While the help of WIPO's employees is of utmost importance, my Delegation would like to request the Secretariat to apprise the Committee on the changes made in the methodology, to determine the medical claims cost and also highlight how some degree of certainty could be maintained to mitigate future risks in this regard. Mr. President, finally, my Delegation also notes the closure of 14 prior recommendations, including those related to External Offices. While these recommendations are closed, my Delegation is of the view that some of these recommendations would continue to be relevant for the Member States as well as for the Secretariat in our future work, especially the recommendations from 2019, on the need for a clear strategy for offices outside of Geneva. I thank you.

100. Delegation of the United States of America: Thank you, Chair. We congratulate the Secretariat on achieving an unqualified audit report and we thank the External Auditors for their work. We would like to associate ourselves with the Group B statement that was previously made. We note on page 9 of the Auditor's Report that employee benefits continue to represent the greatest area of risk to WIPO's financial health. It is notable that a study was commissioned to assist in developing a funding plan for the employee benefits and we look forward to receiving the comments from External Auditor's regarding the funding plan, which was outside their scope this year. As noted in the report, actual revenues have regularly exceeded fee revenue targets while expenses have been lower than expected, resulting in large surpluses. We agree with the assertion that it is important to use the surpluses strategically and we support continuing to allocate funding to the employee benefits, to reduce the unfunded portion. Thank you, Chair.

101. Delegation of the Republic of Korea: Thank you, Chair. The Delegation of the Republic of Korea would like to thank the External Auditors for this important and detailed report. First of all,

my delegation is happy to know that despite the COVID-19 pandemic, the financial statement is well placed to respond to the continued global economic uncertainty. Further, from annex one of this report, we note that two recommendations, in 2019, regarding WIPO's External Offices are closed. In this regard, we believe that the 2019 Report is indeed reflected into Preliminary Draft of the Terms of Reference of the 2021 Evaluation of the WIPO External Office. The Republic of Korea would like to take this opportunity to express our appreciation for the effort of the External Auditors, which contribute significantly to the progress of this discussion related to the evaluation of the WIPO External Office. Thank you.

102. External Auditor: Thank you very much, Chair, and thank you to the delegates for those comments regarding the Audit Report. I think just to emphasize a number of points that were mentioned, and just to give assurance, I think with regard to diversity, we will be looking at the issues with how the new employee experience unit is dealing with issues of diversity and taking that forward. I think in the course of our mandate, probably in our final year in two years' time, we will be looking to see how things have advanced and changed and to comment how those arrangements have been put in place, and how they have delivered in practice. Speaking to the payment of entitlements, I think it is always a key area of focus for our audit, we are very mindful of the risks that are associated both financial and reputational in terms of entitlements. We work closely with IOD, who often come as part of their program (no idea what this part of the sentence means), are looking at entitlements and we respond to the issues and risks that emerge from that work. It is certainly a focus and I think this year we have noted very sound developments with the Organization verifying claims data that again is an important piece of reassurance over employee benefit entitlements. Maybe this feeds in to the comments on ASHI, to say we are very comfortable that the developments and changes that have taken place over this last year further refine the process of identifying the estimated number. At the end of the day, the ASHI liability is an estimate. But we are comfortable with the way in which the actuaries have developed their work in this area, actual claims data, to inform those liabilities. So we feel that you are in a much better position in terms of an accurate assessment of those future costs in methods that have been adopted and used. I think finally, a number of member states have mentioned a common theme about how the surpluses are best utilized, and I think this is something we will be alert to in looking at management's plan and strategy, to use surpluses in future years, something we will be commenting on before the end of our mandate. I think, Chair, that picks up on the main issues that I wanted to cover from the comments that were made. Thank you very much for everyone's kind attention to our Report. Thank you.

103. Assistant Director General, Administration Finance and Management Sector: That is very kind, thank you very much indeed, Mr. Chair, very good afternoon everyone and at the outset let me thank the National Audit Office (NAO) of the UK for their engagement, their work as a critical friend over the past 18 months since I've been in my role. We are very grateful for the positive, constructive and actually very helpful engagement we have had, so thank you very much indeed. There are a couple of comments which if I may, I may just offer some initial thoughts and happy to go into further detail, if helpful. On data analytics, I think there are a number of, in response to the question by Germany I believe, on behalf of Group B, there are number of areas in the Organization that currently use or need or could use data analytics, and they range very much across the Organization. They certainly include our global registration systems, PCT, Hague and Madrid of course, the marketing teams that support those systems, business development, and the customer support and so on. But I think that is one important user. The Economic and Statistical Division (ESD) is another, Web Communications, I think is a very rich set of data from the use of our web platform, the Controller's team, the Global Databases team and so on, and of course some of the independent offices if you like including perhaps most notably the IOD also are heavy users. I think for most of those areas what we are trying to do under the IP Portal is to pull it together, so in line with your recommendation. So to the extent possible there is one central pool of expertise, and actually perhaps as importantly, one central pool of data, one central data lake, which different business units can use. Our data is rather fragmented at the moment, and we are also stepping up our work on data privacy, it's how we

can make sure that is held in a way where our stakeholders meet the expectations of privacy by our stakeholders. For the question from the Russian Federation on long-term capex, I believe I agree, I think it is certainly something we are working on. There are two big pools, when we look forward to where we will need to spend capital expenditure going forward. One is the continued need to invest in IT infrastructure. That is something that I think is true for almost every IP Office around the world, this is an increasingly technology platform driven business, so I think on the IT side we need to continue to invest. And of course, like many UN agencies, we need to invest in our buildings to avoid a big future unpleasant surprise further down the road when the building suddenly needs a lot of work or maintenance or repair. So, I think we are working on the long-term, or medium-term should I say vision on both of those. When we come to you, the Member States at the Program and Budget Committee, at this time next year with proposals, we will set out a little more detail of our thinking on those. I will pause and pass the floor back to you, Chair.

104. Chair: I thank both Mr. Damian Brewitt, Director, and the Assistant Director General (ADG) for their observations and responses in response to the comments and observations made by Member States. I hope Member States found them helpful. As we conclude the discussion, since there are no requests for the floor, I would like to request the Committee to proceed with adoption of the decision under this agenda item, which has been displayed before you. I see no requests for the floor. I therefore consider the Committee adopting this decision. It is so decided. I thank the External Auditors for their valuable work and for the detailed Report and also for their additional responses, which will be provided later. Thank you so much.

105. The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned, to take note of the "Report by the External Auditor" (document WO/PBC/34/4).

ITEM 7 ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION (IOD)

106. Discussions were based on document WO/PBC/34/5.

107. Chair: "We move on to Agenda Item 7, "Report by the Director of the Internal Oversight Division (IOD)" contained in document WO/PBC/34/5. In accordance with WIPO oversight, the Director of IOD has submitted on an annual basis a summary report to the Program and Budget Committee, providing an overview of the internal oversight activities conducted during the reporting period. This report gives an overview of the internal oversight activities conducted during the reporting period July 1, 2021 to December 1, 2021. Now I pass the floor to Mr. Rajesh Singh, Director, Internal Oversight Division for presentation of his annual report. You have the floor."

108. Secretariat: "Excellency's, Distinguished Delegates, Ladies and Gentlemen, In line with the Internal Oversight Charter (IOC), I am pleased to present an overview of oversight activities undertaken by the Internal Oversight Division (IOD) during the reporting period, January 1, 2021 through December 31, 2021. The Annual Report is included in document WO/PBC/34/5. On the implementation of oversight plans, the year 2021 inherited the risks and uncertainties caused by the COVID-19 Pandemic that had significantly affected 2020. IOD Oversight Plan for 2021 was prepared considering a number of factors including risk ratings, relevance, oversight cycle, and feedback received from WIPO Management, Member States, and available resources. Prior to its finalization, the draft Oversight Work Plan was also submitted to the Independent Advisory Oversight Committee (IAOC), for its review and advice. IOD continued to work with the Director General and Sector Leads, to take account of their feedback in oversight work and priorities. IOD modified its work plan to better adjust to the pandemic, and its

consequences on work interactions. At the reporting date, IOD has fully implemented the 2021 Oversight Plan and the implementation of 2022 work plan is on track. During the reporting period, IOD audits, evaluations, and investigations, covered the following key operational areas: Absence Management; Cybersecurity Management at WIPO; WIPO Crisis Management during the Pandemic; Performance Management and Staff Development at WIPO; Regional Division for Arab Countries; WIPO Match; Use and Impact of IOD Evaluation Section Recommendations; National Intellectual Property Strategy Self Evaluations; and during the period, two Management Implication Reports were issued. One on Personal data and privacy issues concerning WIPO e-mails to external users; and the second one on Information contained in the PATENTSCOPE website. The following engagements were started in 2021, and will be reported to the Committee during the course of 2022: the audit of the Hague Platform Project, audit of Enterprise Risk Management (ERM), audit of management of assets, supplies and materials, evaluation of WIPO Standing Committees, meta-synthesis of Regional Divisions Evaluations, and review of IOD performance report validation methodology. IOD mainstreamed gender issues in all its audit and evaluation engagements to the extent relevant. On investigations, during the reporting period, 25 new cases were registered (which constitutes a 19 per cent increase over 2020) and 23 cases were closed. As of December 31, 2021, 13 cases were pending, including two at the preliminary evaluation stage, eight at the full investigation stage and three on hold pending action by another entity. Of the pending cases, 11 were opened in 2021, two in 2020. In 2021, there were nine investigation cases where allegations were substantiated, including cases of harassment, theft, abuse of work time, abuse of assets and breach of confidentiality. As of December 31, 2021, the average time it takes to complete an investigation is 127 calendar days, which is well within the prescribed period of six months. On follow up of open oversight recommendations, IOD continued to follow up on open recommendations using the TeamMate+ system, which allows interactive dialogue with the management for an effective follow-up on implementation of open recommendations. At the date of the present report, there were 125 open recommendations including 40 of high and 85 of medium priorities. IOD recommendations constitute 82 per cent of all open oversight recommendations. Eleven recommendations from the report of the External Auditor were added to the recommendations management system during 2021. Nine external audit recommendations and 18 IOD recommendations were closed during the reporting period. On consultative and advisory services, in addition to its planned oversight work, IOD continued to provide professional advice as requested on policy documents, evaluations and business processes. The Internal Audit and Investigation Sections provided advice to the working group set up to review and update the WIPO Regulatory Framework of Administrative Issuances, with a view to streamlining the framework. The Investigation section provided advisory on Review of the Internal Justice System. The Evaluation Section advised on the design phase of the external evaluation of WIPO Re:Search, on benchmarking and self-evaluation of National IP Strategies and on self-evaluation elements for the Division of Latin American Countries. On relations with other oversight bodies, IOD regularly attended the sessions of IAOC, reporting on the implementation of the internal oversight plan, discussing oversight results and seeking their advice. In the period covered by this report, the 60th to 63rd Sessions of the IAOC took place. IOD maintained good working relations with the External Auditor by having regular meetings on audit, internal control and risk management issues IOD actively engaged with the External Auditors during their 2021 audits and provided necessary inputs where required. IOD also regularly met with the Ombudsperson and with the Chief Ethics Officer to ensure good coordination and complementary support. On outreach activities, IOD completed the migration to an updated audit management system TeamMate+. The new system is technologically more up-to-date, with new features that would enhance the risk assessment process, the conduct of engagements, and the management of recommendations. IOD has completed the data analytics revamping project that has enhanced the Division's capacity to conduct continuous auditing exercises. IOD will continue to provide regular feedback to management on compliance and operational effectiveness of key controls tested through data analytics. IOD continued to reach out to colleagues within WIPO through presentations given to new staff in

the induction training, the IOD Newsletter, the IOD Dashboard and presentations to Directors and Senior Management as and when required. On satisfaction surveys, IOD continued to seek feedback from colleagues on the quality of its oversight work, through client satisfaction surveys after each assignment. The analysis of the consolidated survey results indicated an average satisfaction rate of 83 per cent for post assignment surveys and 80 per cent for after one-year surveys. On networking, during the reporting period, IOD continued its active and useful collaboration and networking with other UN system Organizations and entities. In particular, IOD actively participated in the 2021 Annual General Meeting of UNEG, the evaluation network held virtually; the annual meeting of United Nations Representatives of Internal Audit Services (UNRIAS) also held virtually, the Annual Conference of Heads of Internal Audit in Europe held virtually. The Heads of Investigations and Internal Audit undertook teaching assignments in the areas of risk management and the prevention of fraud and corruption to bachelor and master students of local business schools in Geneva. IOD and the UN Office of the Internal Oversight Services jointly conducted an online training session on payment diversion in early March 2021. IOD presented a talk on the topic of international procurement fraud at the 2021 Association of Certified Fraud Examiners Global Fraud Conference held in June 2021. On the operational independence of IOD, I confirm that during the reporting period, no instance or activity occurred that could be considered as jeopardizing the operational independence of IOD. On oversight resources, to discharge its mandate, IOD was provided with a biennial budget after transfers of 5.270 million Swiss francs, which represents 0.69 per cent of WIPO's budget for the 2020/2021 biennium. Overall, the level of current human and financial resources has been adequate for IOD to cover the high priority areas as identified in its work plans effectively. Exchange of oversight plans and continuous coordination of oversight activities with the External Auditor as well as effective use of IT tools have helped achieve more efficiency and effective coverage of risk areas. On training, for continued professional development, IOD staff attended various training activities to acquire new knowledge, technical skills and other competencies to increase IOD's operational effectiveness. On average, each IOD staff attended 10 days of training, which included Analyzing and Presenting Data, Decision Making, Applied Neuroscience, ACL Analytics, TeamMate Analytics, Internal Auditing Certifications, Online Research, Emerging Technologies, Integrated Financial Reporting, COBIT 5, Cyber Security, and Interviewing Skills. Since I would be completing my 6-year term as Director IOD in January next year, I would like to take this opportunity to express my sincere and deep thanks to the PBC, to this committee, and the Member States for their guidance, support and cooperation; to the IAOC for their expert guidance, support and very valuable advice; to the previous and present Director General and senior management and all my WIPO colleagues, as well as the External Auditors for their excellent cooperation and support in all our oversight engagements. A very big thank you to my IOD colleagues – Team IOD, for their outstanding contribution, collaboration and team work, without which it would not have possible for me to deliver on the mandate of IOD. Having concluded my remarks, I would like to thank you for your kind attention and I am happy to answer any questions or receive any comments that you may have.”

109. Chair: I thank Mr. Rajesh Singh, Director of the IOD, for his detailed presentation. I would like to take this opportunity on behalf of the Program and Budget Committee to convey our appreciation for the work carried out by Mr. Rajesh Singh, Director of the IOD, during his time with WIPO. Thank you so much for helping the committee. I now open the floor for comments and observations by Member States. There is a request for the floor from the Delegation of India.

110. Delegation of India: Thank you, Chair. India has the honor of delivering the statement on behalf of the APG. The APG would like to thank the Director of the Internal Oversight Division for the comprehensive report presented under document WO/PBC/34/5. The report, as in previous years, gives a thorough review of the organization's functions. The Group considers the report as a valuable source of information as well as a useful point of reference for oversight functions of the Organization. The Group extends its appreciation for IOD's continued efforts in ensuring effective internal controls and efficient use of resources by the Organization. IOD,

along with IAOC, and the External Auditor contributes to transparent management of finances, which is reassuring for Member States. The Group welcomes the fact that various activities had been undertaken by the IOD in a positive and independent manner. The Group looks forward to the Secretariat implementing open IOD recommendations, especially the high priority ones expeditiously. The Group is confident that the IOD will continue to engage in cross-sectional activities involving auditors together with the investigation and evaluation professionals to provide a complete in-depth review of WIPO programs. Thank you, Mr. Chair.

111. Delegation of the Dominican Republic: Thank you, Mr. Chair. I am taking the floor to represent GRULAC. We are grateful for the detailed report, provided by the Director of the Internal Oversight Division and are happy with his comments on Teammate+. We think those comments should be taken into account in the strategy for the future improvement of WIPO Match. In the ten years that have gone by, since it was set up, and until 2019, WIPO Match was only able to deal with six agreements, which is very much below what was hoped for. GRULAC hopes that the implementation of this strategy for the improvement of WIPO Match will be done and that it would be possible to centralize the platform for WIPO Match, so we can make the most of the valuable services efficiently, avoiding overlap and redundancy in information. Thank you.

112. Delegation of Germany: Thank you, Chair. I deliver this statement on behalf of Group B. Mr. Chair, Group B appreciates the continuous efforts of the Internal Oversight Division, in cooperation with the IAOC and the External Auditor to achieve its crucial role in ensuring effective internal controls and an efficient use of resources in WIPO. In this regard, we would like to thank IOD for its annual report contained in document WO/PBC/34/5. The report gives a comprehensive overview of the Organization's functions, and we consider that as a valuable source of information, as well as a point of reference throughout the year. We encourage the Secretariat to implement internal audit recommendations in a timely manner and note that 125 recommendations are open, of which 40 are a high priority. Group B notes that various activities have been undertaken by IOD in a positive and independent manner. Thank you, Mr. Chair.

113. Delegation of Algeria: Thank you, Mr. Chair. Algeria has the honor of making this statement on behalf of the African Group. The African Group thanks the Director of the Internal Oversight Division for his report contained in document WO/PBC/34/5 which gives an account of the Internal Oversight activities carried out in 2021. The African Group underscores the prime role of the IOD as an independent body, ensuring strategic functions for risk management, internal controls, and governance and full conformity with international professional practices. The African Group welcomes the quality of the work carried out by IOD in 2021 to help WIPO to better integrate principles of accountability, transparency, and learning in its programs, its processes for planning, and its system for management of quality and conformity with established international standards. We note with satisfaction that IOD has undertaken a number of initiatives aimed at broadening its services for advisory and consultancy matters, data analytics, ongoing audit, while using new technologies to make supervisory missions and the management of recommendations more effective. The African Group notes that given the limited resources available to IOD, establishing a program for supervision and oversight must be supported by a system of effective risk management. This would enable us to better recognize possible weak points, and to remedy these on-time. Furthermore, the work of other WIPO oversight bodies should not prevent the IOD of carrying out activities on all questions defined within its mandate, in order to ensure a good appreciation of priority issues. While welcoming the efforts of IOD to include questions related to gender equality and related issues in its work program, the African Group is of the opinion that particular attention should be paid to diversity within WIPO, both in terms of gender equality and also geographical balance. As to the comments made by IOD concerning the virtual format of meetings in the context of the COVID-19 pandemic, the African Group considers that the use of new technologies for carrying out technical assistance activities to developing countries must

take into account the capacity to those countries and actively participate given the constraints caused by the ongoing digital divide. In this connection, any change in the meeting format should be carefully looked at by WIPO in consultation with Member States. I also thank Mr. Rajesh Singh and his entire team, for their assiduous work, their competence and their professionalism, thank you.

114. Delegation of Slovakia: Thank you, Mr. Chair. The CEBS Group would like to thank the Director of the Internal Oversight Division for his report contained within the document WO/PBC/34/5. The CEBS Group welcomes the work of the Division. We believe it continues the improvement, effectiveness and transparency of the Organization. We also appreciate close cooperation between the IOD and other external oversight bodies such as the IAOC, the Ombudsperson and the External Auditor. We welcome the results of the audit valuation and investigative activities carried out during the reported period. At the same time, the CEBS Group positively acknowledges the attempts to reduce the aged recommendations. Furthermore, as presented in the report, we recognize 125 open recommendations, particularly 40 high priority recommendations, the majority of them related to human resource management development and program and resource management. Therefore, we would like to encourage the Secretariat to implement these recommendations in a timely manner. Thank you.

115. Delegation of China: My delegation wishes to express appreciation to the IOD Director and his team for the report. China pays great attention to the internal oversight work of WIPO because we believe that transparent and effective oversight will contribute to the realization of strategic targets of the Organization as well as the enhancement of the management level. China will take this opportunity to register its special appreciation to the Director IOD for the tremendous work he has done since his assumption of the office for strengthening the internal oversight of WIPO. We wish him success in the future. My delegation would also like to make some specific comments on the number of issues contained within the report. First, we appreciate the formulation of the Internal Oversight Strategy 2022/23. According to that strategy, in the next two years IOD will focus on the way that is effective and secure to manage WIPO services, tools and systems, as well as concordance with the WIPO projects with the Medium-Term Strategic Plan. It is hoped that the IOD will continue to elevate its supervision under the strategy, and strengthen its coordination and engagement with Member States. Second, we appreciate the IOD having completed the cyber security review of WIPO that was shared with the interested Member States. China has all along maintained that WIPO security is an issue that touches upon the interests of all stakeholders, including the international bureau. Internal control measures included in the review are of tremendous importance, and WIPO should strive to continue to enhance its cyber security level through optimized programs. Thirdly, China wishes to thank IOD for having completed the review of the performance of WIPO as well as the development of WIPO's staff and has also tabled a complete and thorough review report. I've taken note of page 23 of the report where the lack of mobility has been one of the major pain points of the Organization, as well as the other likely issues that may arise when the personal development of staff are touched upon. We appreciate that. At the same time, we believe that WIPO is an Organization with experts from all areas worldwide, and full use must be made of their talents. So, encouragement should be made of staff who perform better to be mobile within the Organization across sectors so to increase the dynamism and effectiveness of the Organization. Thank you.

116. Delegation of the Russian Federation: Thank you very much, Chair. We thank the Director of the IOD, Mr. Singh, for preparing the report and his presentation of document WO/PBC/34/5. We appreciate the role of the IOD in strengthening accountability, transparency and professional training of WIPO's staff. In addition, we note WIPO's experience and the conclusions of the IOD in taking measures to minimize the impact of the COVID-19 pandemic on the work of the Organization. In the context of the crisis management of WIPO during the pandemic, we feel that face-to-face formats of working are the best way for productive dialogue between Member States, including when it comes to decision-making processes. I would like to

draw attention to the fact that the audit of the situation with regard to absences at work has to do with the fact that worktime is not being appropriately used, in this connection we can say that remote work must not have a negative impact on the norms of the working procedures of the Organization. In addition, I would like to point out our conclusions on enhancing skills. We very much appreciate the conclusions of the report on the need to ensure cyber security and to guarantee the security of personal data. This topic of course is important for Member States and for the Organization itself. In addition, with the points raised in the document concerning additional projects of the Supplementary Capital Master Plan Project, I would like to thank Mr. Singh once again for his important work and the work he has done for the Organization. At the same time, we call upon the management of the WIPO Secretariat to take the necessary steps to eliminate the vulnerable areas identified by the Internal Auditor as soon as possible. Thank you.

117. Delegation of Mexico: We are grateful for the report and for hearing about the work done in 2021. His comments are of great importance to WIPO Member States. I should like to highlight the evaluation of WIPO Match. We agree with IOD's assessment. We should not leave aside the possibility of carrying out a complete project just because the platform is obsolete and because the results have not been good in the last 10 years. As to cases received since the beginning of the investigative activities, we regret that no case of sexual harassment has actually been reported in 2021. The fact that a body does not have any cases recorded does not necessarily reflect the facts. In fact, it is an alarm signal which could be because of a lack of appropriate channels of communication, appropriate practices, reprisals, et cetera. Having said that, in my last statement we also made an appeal to WIPO to deal with sexual harassment in human resources or in the Ethics Office and to have enough resources for this and also adequate training of the staff to deal with this type of investigation. We trust in the readiness of senior management to improve the way in which these issues are dealt with in the Organization. We also see in Table 1 an analysis of the cases received and there is no link with external activities, and I wonder if this is because the increase in cases has been reported to the Ethics Office and that is why we don't see many cases reported here. Also, we'd like to know why no progress has been made in implementing recommendations in Program 23 and 9. Lastly, we note with some trepidation that the IOD could get involved in questions such as audits or in various other departments, asking for consultancies to avoid a future evaluation. Thank you.

118. Delegation of Spain: Mr. Chair, the Spanish delegation wishes to associate itself with the statement given by Group B concerning the Annual Report, which we think is very important from the operational and planning viewpoint. Along the same lines, we urge the Secretariat to apply the recommendations of the audit carried out. We wish to bring to your attention the importance of the item relating to performance and staff development. We understand the importance and value of staff in and for this Organization, therefore we consider it vital to deal with problems of internal oversight, above all related to a lack of trust, the absence of a culture of ongoing communication, and the need for management to improve its skills concerning performance management. For this reason, we agree with the conclusion reflected in the report concerning the need to adequately manage the changes necessary in order to create a strong performance management culture. In this connection, for my Delegation is of fundamental importance for the management model for performance to be based on principles of objectivity, simplicity and flexibility, in which middle level managers assume leadership for changes in the Organization's culture and terms of performance management. Thank you very much.

119. Delegation of the United States of America: The United States aligns itself with the Group B statement and expresses our appreciation for the work of the Internal Oversight Division during 2021 as well as the preparation of this comprehensive report. We thank the Secretariat for its attention addressing high recommendations for prior years. We note that the subsection for prior resources indicates that the current level of human and financial resources has been adequate for IOD to effectively cover the high priority areas identified in its work plans. We

nevertheless note that 22 high priority recommendations from 2018, 2019 and 2020 remain open. We encourage the Secretariat to implement the remaining open IOD audit recommendations as soon as possible to avoid exposing the Organization to significant risk. We also note that the program on human resources management and development contributes to approximately 53 per cent of 40 high priority recommendations. We also welcome more details on the progress of implementation of these recommendations, including any progress made since closure of the reporting period. We appreciate the information on the outcome of investigative activity which identified nine investigative cases that were substantiated. We would welcome future reporting that included a similar enumeration of cases that were unsubstantiated. This additional reporting on unsubstantiated allegations would provide Member States with a better understanding of the investigative outcomes, including whether there are patterns in the data such as insufficient evidence to review specific types of complaints or whether implicated staff members resign before there is a disposition on the investigation, this is particularly relevant regarding allegations of sexual harassment and sexual abuse. Failure to thoroughly address these sensitive areas of misconduct at the first reporting poses a unique and continuing risk to the Organization, to the safety and well-being of staff, and to the culture and representation of WIPO. Finally, we note the positive results of the satisfaction survey, and the IOD's efforts to solicit meaningful feedback from colleagues in audited or evaluated units. We would appreciate knowing the nature of any procedural adjustments made to improve the IOD's work based on feedback from this mechanism. Thank you, Chair.

120. Chair: I thank the distinguished delegate of the United States of America for her statement. There are no more requests from the member states or comments. I now therefore offer the floor to Director Rajesh Singh, of the IOD for any additional comments in response to questions and observations by Member States.

121. Secretariat: First of all, let me thank the distinguished delegates for their appreciation and their kind words about the work of the IOD. This gives us encouragement and support to deliver our mandate effectively. Coming specifically to some issues raised by the Delegate of Mexico, I would like to add that as far as sexual harassment cases are concerned, it is true that we, in our experience have received very few cases. Over the last six years, there have been maybe a couple of cases. To strengthen the reporting mechanism for misconduct, this year we have added an additional mechanism which was completely anonymous, it was a speak up hotline. A third-party platform where anyone in the staff, including third-party service providers, could go anonymously and report on any kind of misconduct. So we hope if there is any hesitation or shortcoming, it could be partially met with this. On training for staff, I reassure you that all staff in IOD are trained in handling sexual harassment and sexual exploitation and abuse cases. To give an example, there were trainings organized by OIOS here in UNOG, two trainings we attended, everybody in investigations. There was another training organized by the French Gendarme that which the investigation team had attended which focused particularly on witness protection and victim protection. I can assure the Member States that training is not lacking as far as these cases were concerned. If need be, we will have the resources to augment any shortcomings in trainings as we go forward. On Table 1, which lists the investigation cases, the distinguished delegate mentioned that there is no linkage with the external activities requests which have increased with the Ethics Office. So let me clarify that the Ethics Office deals with requests for external activities to see whether there is a direct or potential conflict-of-interest, vis-à-vis WIPO conduct rules, or vis-à-vis the interests of WIPO. It is not an investigative activity, it is an advisory activity, which the Ethics Office discharges. When we receive cases in IOD, if there is an external activity that a staff member is doing, it is classified under abuse of work time or unauthorized activity, which is contrary to WIPO's interests. On comments from the Delegation of the United States of America, let me assure you that we have taken note of your comment that we should also give some details about unsubstantiated cases in our report, which we will do. On sexual harassment cases, if there are any shortcomings, or you mentioned let people resign and how do these cases go forward, we are willing to share

information separately with you on this going forward. I think I covered everything but if I missed out something, please do point it out. Thank you, Chair.

122. Assistant Director General, Administration, Finance and Management Sector: There were a couple of comments I would like to address. The first is a number of Member States rightly pointed out the need to continue accelerating the implementation of outstanding audit recommendations, and of course particularly the high priority recommendations. Let me reassure you, we are doing our best to do that. We have asked the Assistant Controller to launch across the Organization a cross-organizational horizontal effort to work with managers to understand what we need to do to implement those recommendations. Some of them are quite old. We need a conversation with IOD to discuss what needs evolving and what agreed management actions we should be taking. So we are working hard on that, working hard not only in the individual teams but also at a cross-organizational level to try and encourage colleagues to move forward in a prompt manner. The TeamMate+ tool has been helping with that. It has been a journey but colleagues are now using it more and more actively and more proactively to update on the status of their implementation, and it is very helpful. There were a number of questions relating to Program 23. I will hand, with your permission, Chair, in a moment, to the Director of the Human Resources Management Department. There was also a question on Program 9 there are a number of outstanding recommendations, mostly evaluation type recommendations. The nature of the response of those is to implement in the ongoing work of RNDS programs as we increase our delivery of developed projects. The Deputy Director General is in the room if you have any questions and would comment further. I think the only final point, if I may, is the Director General sadly could not be in the room this afternoon. He thanks the Director, IOD. A number of the Members thanked him for his service, but it is important that I, on behalf of the Director General and Organization thank him for his six-year term as a Director of IOD. You joined us in 2017 but of course you were known very well from your senior work in the Government in India, where you were working *inter alia* on the external audit, and a number of excellencies and distinguished delegates mentioned you have done tremendous work in updating, strengthening and modernizing the areas of audit investigation and evaluation, really moving forward the way in which we do those. If I may, it is not the easiest job, audit. I have a few friends that do it, you need to be many things at once, you have to wear many hats, be a challenge function, an oversight body, a critical friend of management, but you juggle those extremely well. Certainly, the new management team under the Director General would like to thank you and how you embraced your work with integrity and professionalism and grace, so allow me to thank you again, if I may and wish you the very best. I think we will see you a few more times before you leave in the January but it is a good chance to put on record our deep appreciation for your tremendous efforts over the term of your contract. If I may, Mr. Chair, that is all I had to say, but I may, with your authority, hand to the HR Director.

123. Secretariat: Thank you, Chair, distinguished delegates. I understood there was a question about the audit recommendations in the Program 23, so I would like to answer that the number of recommendations which were open were counted on December 31, 2021, and there were 34 open recommendations of that time, 29 from IOD, and 5 from the External Auditor. We have worked very closely with both the External Auditors and IOD, and I am happy to inform you that the five External Auditor recommendations have now been implemented and closed. Furthermore 12 IOD recommendations were considered implemented and closed, including two recommendations that dated back to 2018, noting that the further three recommendations will be requested to be closed in the near future and out of the eight new IOD recommendations from the review of the performance management and staff development system, one has already been implemented and closed, and the others are recent and concern the revision of the new system. So I think that is huge progress in comparison to the past. Thank you so much.

124. Deputy Director General, Regional and National Development: Thank you Chair and to the Director IOD for his presentation of the report. Since some of the delegations, and the Assistant Director General, Administration, Finance and Management Sector made reference to RNDS, I would like to address the three RNDS issues included in the report. First on the evaluation of the Regional Division for Arab countries, the Director is here, but I think all of the recommendations in paragraph 42 have been taken note of and also been continuously in the progress of implementation. Second, since I think the Dominican Republic on behalf of GRULAC as well as the Delegation of Mexico referred to WIPO Match, I would like to update you that following a request from the Member States, the Secretariat presented a document, CDIP/28/5, Strategy for Future Enhancement of WIPO Match, to the 28th session of CDIP in May, 2022. This document proposes technical improvements, restructuring and expansion of WIPO Match. It also states that those improvements will be detailed in future documents which will take into account the main findings of the IOD evaluation of WIPO Match. In light of this, I would like to note that the recommendation in paragraph 46(b) is already being implemented. A strategy document was presented to CDIP and a revised one will be submitted at the next session. The recommendations at paragraphs 46 (a) and (c) will be taken into account when the said strategy for future enhancement is further developed and implemented. The last one is on the national IP strategies self-evaluation. It is noted that the benchmarking indicator document has been completed by the consultant. The findings contained in the document has been taken into account. Together, between RNDS and the Senior Policy Advisor in the IP and Innovation Ecosystem Sector, we are providing tools and guidance to colleagues in house, in terms of their work with Member States on the articulation, implementation, and monitoring of national IP strategies. Thank you, Mr. Chair.

125. Delegation of Algeria: I'm speaking in our national capacity. We would like to thank the IOD for presenting informative information on the evaluation of the Division for Arab countries. We share the views of the IOD on the support that is provided by the Division to the Arab region, which is relevant to our national priorities and is aligned with our needs, and we would like to thank the Division for Arab countries for all the efforts in reaching out to our region, the Arab region, and we encourage them to continue the good job they are doing. Thank you Mr. Chair.

126. Chair: I thank the distinguished Delegate of Algeria speaking in his national capacity. I don't see any request for the floor at this stage. So since we conclude this discussion of Agenda Item, would like to propose to the committee to adopt the decision which will be displayed now on the screen, and I will also read that for reference.

127. The Program and Budget Committee (PBC) recommended to the WIPO General Assembly to take note of the "Annual Report by the Director of the Internal Oversight Division (IOD)" (document WO/PBC/34/5).

ITEM 8 PROGRESS REPORT ON THE IMPLEMENTATION OF THE JOINT INSPECTION UNIT'S (JIU) RECOMMENDATIONS

128. Discussions were based on document WO/PBC/34/6.

129. Chair: "We now move on to Agenda Item 8, slated to be considered today: 'Progress Report on the Implementation of the Joint Inspection Unit's (JIU) recommendations.' The document which has been considered under this agenda item is WO/PBC/34/6. This document provides an overview of the status of implementation of outstanding recommendations addressed to WIPO's Legislative Bodies and to the Executive Head of WIPO, resulting from the reviews of the Joint Inspection Unit during the period January 1, 2016 to March 31, 2022. I

would like to pass the floor to the Secretariat for presentation of the Secretariat's report on the JIU recommendations."

130. Secretariat: "Thank you very much, Mr. Chair. The purpose of the document as mentioned by the Chair is to present a review on the status of the implementation of the JIU recommendations addressed to Legislative Bodies. The document also provides an update of the implementation of recommendations addressed to the Executive Head of WIPO, as requested at the 33rd session of the PBC in September 2021. Since the last report, the JIU issued 15 new recommendations relevant for WIPO from three reviews with four recommendations addressed to the Legislative Bodies and 11 to the Executive Head. Recommendations currently outstanding and under implementation by WIPO are from reviews issued in 2018 to 2021. The recommendations to the Executive Head concerning safety and security from reviews issued in 2016 have now been implemented. Subject to the endorsement of Member States in respect of recommendations contained in this document, there will be five recommendations addressed to WIPO's Legislative Bodies and 18 addressed to the Executive Head which will remain open, and all other recommendations would have been closed. I would like to reiterate as mentioned by our Director General this morning that we take audit and oversight recommendations very seriously, and WIPO has made good progress in the implementation of JIU recommendations, and this has been recognized by the JIU themselves. Overall, 87 per cent of all of the 408 JIU recommendations made since 2010 and relevant to WIPO will have been implemented with a further seven per cent closed not relevant or not accepted, and six per cent accepted and in the process of being implemented. In compliance with the recommendation JIU/REP/2021/3 on cybersecurity, the present WIPO Performance Report for 2020/21 document WO/PBC/34/7 includes a comprehensive self assessment of WIPO's security framework fully in compliance with the recommendation. We continue to engage with you, the Member States, in guiding WIPO's work in respect of cybersecurity in view of the strategic importance of this to WIPO's mission and mandate. Thank you very much, Mr. Chair, for the opportunity to present this document."

131. Delegation of Algeria: Thank you Chair. The Delegation of Algeria has the honor of making a statement on behalf of the African Group. The African Group noted the progress report on the implementation and the recommendations of the JIU, set forth in document WO/PBC/34/6. The African Group thanks the Secretariat of WIPO for its act of ongoing commitment with the JIU as the only independent external control body of the UN system and for its efforts to implement the recommendations accepted and made by this body. The African Group notes with satisfaction that 87 per cent of the 480 recommendations for WIPO made by the JIU since 2010 and accepted by the Secretariat and the various bodies of the Organization will have been implemented. However, 18 recommendations addressed to the Secretariat are still outstanding, and this for many years now. As for the recommendations of the JIU in 2018 on improving the accessibility of persons with disability to the meetings and conferences of the UN system, the African Group is concerned by the delay in establishing a WIPO strategy for the inclusion of persons with disability as per the UN disability inclusion strategy on this. This WIPO strategy must seek to improve the physical and digital accessibility of persons with disability to WIPO's meeting and conferences by implementing universal concepts of design and by identifying, removing and preventing any obstacles to that access. Moreover, progress has been made in the field of improving accessibility of persons with disability on the basis of recommendations of the JIU, and this progress must be built upon as part of the next global strategy, including with regard to the guidelines on procurement, registration for meetings, and information on the services available to persons with disability as well as the mainstreaming of disability in all of the programs, projects and operations of the Organization. The African Group notes the will of the Secretariat to take into account environmental sustainability considerations, but this must tie in with a well-defined policy that would encompass all of the organizational and programmatic aspects and it would also include the adoption at a larger scale of greener working methods. The African Group notes also that the Secretariat has appointed a coordinator for multilingualism as per recommendation 2 on multilingualism within the UN

system. In this regard, the Group would like to have clarification on the role, responsibilities and the competencies that will be given to the coordinator to ensure the effective implementation of the revised linguistic policy of the Organization, and also the promotion of multilingualism within our Organization. Finally, Chair, the African Group encourages the Secretariat to accelerate the implementation of the recommendations in progress and to inform the Committee about the progress of those that remain in suspense. Thank you.

132. Delegation of Germany: Thank you Chair. I take the floor on behalf of Group B. Chair, Group B welcomes the progress report on the implementation of the Joint Inspection Unit's recommendation contained in document WO/PBC/34/6. We welcome the fact that as at end of March 2022, an overall 87 per cent of the 408 JIU recommendations relevant to WIPO made since 2010 have been implemented with a further seven per cent closed and six per cent accepted and in the progress of being implemented. Our Group expects that the JIU recommendations relevant to WIPO will be continued to be implemented as appropriate and in a timely manner. Thank you Mr. Chair.

133. Delegation of Slovakia: Thank you. Mr. Chair. The CEBS Group thanks the Secretariat for preparing the document WO/PBC/34/6, which enables the Member States to monitor the implementation of the Joint Inspection Unit's recommendations. We also welcome the efforts of the Secretariat in its work to facilitate and coordinate responses to the JIU questionnaires, surveys and interviews in relation to ongoing and new reviews. The CEBS Group is pleased to see the progress on the implementation of the recommendations and notes that the majority of recommendations made during previous years are either implemented or accepted and in progress. In that regard, we appreciate that overall 87 per cent of the current 408 JIU recommendations relevant to WIPO made since 2010 have already been implemented and seven per cent are closed as not relevant or not accepted. Concerning the remaining six per cent which are currently being implemented, we would like to see the Secretariat to continue finalizing the process of their implementation expeditiously. The CEBS Group is committed to engage in the discussions on the implementation of the recommendations which require actions by the Member States. Thank you.

134. Delegation of China: Thank you Chair. My delegation wishes to thank the Secretariat for once again giving us an update on the implementation, recommendations of JIU. We are overall pleased with the implementation of the JIU recommendations by WIPO by March 2022, with the unremitting efforts of Secretariat and the Member States, the overwhelming majority of recommendations for JIU have been implemented, which has contributed to the improvement of WIPO's work as well as better enabled WIPO to integrate into the UN framework as a whole. China is pleased to note that the Secretariat has accepted but also is in the process of implementing the JIU report on the cybersecurity of UN system organizations (document JIU/REP/2021/3). We have also noted the expression by the management with regard to recommendation 1, in view of the strategic importance of cybersecurity for the mandate and mission of WIPO, Member States have taken an active part in and guided the work of WIPO in cybersecurity. Paragraph 2 of the executive summary of the report stresses that data breaches go way beyond the disruption of ICT infrastructure, rather the ability of the UN system to deliver the mandates and the credibility vis-à-vis the members and beneficiaries is at stake. We appreciate that and wish to emphasize once again the potential risk to data security in the cloud first strategy is a typical issue that bears upon the WIPO global IP service system, its Member States, as well as WIPO itself. China wishes to express its appreciation to Member States for their support of China's position during the previous PBC sessions and the discussion of the cloud first strategic issues, which represents a path to progress. In due time, China will join other parties to discuss the draft in a constructive spirit. It is also a pleasure to note that WIPO is in active implementation of the JIU report on multilingualism within the UN document JIU/REP/2020/6. We are also very pleased to note that the Director General, in his morning address at our session, has mentioned that WIPO is actively using the means including artificial intelligence to promote the greater use of languages within WIPO. We hope the Secretariat will

proceed from the long-term interests of the Organization in promptly adopting concrete and feasible measures to ensure that the official languages of the UN, including Chinese, will be in full use in WIPO documents, conferences, and the IP system, in particular the Madrid and the Hague Systems. Thank you, Chair.

135. Delegation of Mexico: Thank you very much, Mr. Chair. We are grateful for the report submitted, which picks up on the recommendations made several years ago. In particular, we are grateful for the implementation of recommendation 2 of JIU Review of air travel policies in the United Nations system, which includes all persons irrespective of their grades, thank you.

136. Delegation of the Russian Federation: Thank you very much, Chair. The Russian Federation thanks the Secretariat for preparing the progress report on the implementation of the recommendations of the JIU. We feel that on the whole, the work to implement the recommendations has been done effectively, given that 87 per cent of the recommendations of the JIU have been implemented. We express our gratitude to the Secretariat for presenting information upon our request on the implementation of the recommendations addressed to the Secretariat, which helps to enhance the transparency of the work of the Organization and is also in line with best practice within the UN system. Such data helps Member States to see a more complete picture of how the proposals and the recommendations of the JIU are being implemented. We should also like to draw attention to the implementation of the recommendations of JIU contained in document JIU/REP/2020/6, entitled multilingualism in the UN system. We welcome the implementation of recommendation 1 on the strategic basis for the multilingual policy addressed to the Governing Bodies and Executive Head of WIPO. We should also like to note the need to develop and to present to Member States an administrative and operative roadmap on the implementation of WIPO's linguistic policy, which was adopted in 2021. We also draw attention to the implementation of recommendation 3 on the policy of attracting new translators and interpreters and the retention of qualified specialists. We welcome the efforts of the Secretariat to enhance the quality of translation provided during the meetings of the Organization. In addition, we draw the attention of the delegates to the conclusion of the review of the performance management system, where there is reflection of the problem of the lower efficacy in the fight within unsatisfactory work of WIPO staff. We appreciate the assessment by the Secretariat of the implementation of the recommendations, we expect that WIPO should continue to integrate into its work the principles set forth in the report of the JIU. Thank you, Chair.

137. Delegation of the United States of America: Thank you, Chair. The United States aligns itself with the Group B statement. We thank the Secretariat for this report and for its efforts to implement UN Joint Inspection Unit recommendations. We recognize WIPO's considerable achievement of implementing 87 per cent of the 408 JIU recommendations, relevant to WIPO since 2010, and the progress in implementing an additional six per cent. The United States also wishes to recognize WIPO Secretariat's commendable facilitation of Legislative Body implementation of key recommendations, especially oversight of the ethics function, vis-à-vis JIU report JIU/REP/2021/5/2, the review of the state of the investigation function vis-à-vis JIU report JIU/REP/2021/3. Nevertheless, we encourage WIPO to reassess, pursue, and/or finalize outstanding recommendations as appropriate, including recommendations from 2018 pertaining to accessibility for persons with disabilities to meetings of the UN system, and further review of whistleblower policies. Thank you, Mr. Chair.

138. Secretariat: Thank you, Chair, and good afternoon to everyone. I would like to provide some additional clarification to the question I believe was asked by the distinguished Delegate of Algeria on behalf of the African Group concerning the focal point for multilingualism. I would like to stress the fact, as you can also see in the report, that the focal point that has been appointed is our Director of Language Division, who would, as a focal for multilingualism, work under the guidance of the Co-Chairs of the Language Taskforce. The language taskforce was established by the Director General, following the adoption of the revised language policy by

Member States in 2021. The Co-Chairs for the task force, and this is very important, are very senior officials in the Organization. We have the Assistant Director General of the Administration, Finance and Management Sector, the Assistant Director General for the IP Platforms and Infrastructure Sector, who oversees the machine translation project in the Advanced Technology Applications Center (ATAC). Under the guidance of those two Assistant Directors General, the focal point would be guided in his work as the focal point by the Co-Chairs and the other Members of the taskforce who include those responsible for the language sections in the other parts of the Organization, including translation in the PCT, and translation in the Brands and Designs Sector.

139. Secretariat: Good afternoon, Mr. Chair, good afternoon, colleagues. It is my pleasure to introduce the implementation of the revised language policy and also on the roles of the focal point on multilingualism. I would like to first of all thank all the delegations for your questions and for your interest in the promotion of multilingualism. In general, and also more specifically, the Delegations of Algeria, China and the Russian Federation for their specific questions. Concerning the question from the distinguished Delegate from Algeria, the roles for the focal point on multilingualism is, in fact, first of all, to participate in the network of the United Nations on focal points on multilingualism and also to inform the WIPO management on the implementation of the language policy on what has been implemented in the organization with regard to both translation and interpretation and after the revised language policy has been adopted by the language task force. This focal point is working under the guidance of that task force. With regard to the question from the Delegation of the Russian Federation concerning the operational roadmap in the revised language policy, the Organization will prepare a progress report in the WIPO Performance Report, in due course. The main objectives of the implementation strategy as the Director General also mentioned in his opening speech this morning, is first of all to take advantage of modern translation technologies to increase use of machine translation, but in the meantime not to lose sight on quality. The main objective is to increase cost efficiency in the promotion of multilingualism and to also apply multilingualism beyond the six UN languages because the Organization has for example the PCT which uses the 10 publication languages, so in addition to the six UN languages, there are also the other four languages. In addition, with modern translation technologies, there is also a means to even increase the promotion of multilingualism to even other languages. Thank you very much.

140. Assistant Director General, Administration, Finance and Management Sector: Thank you again Mr. Chair. If I may in a moment or two under your authority, I will invite the Director of Premises Infrastructure Division to comment on, in particular, a number of very pertinent questions around the physical accessibility of the WIPO campus. Before I do, I really wanted to say a few words about this administration's approach to accessibility for persons with disability a little bit more generally, because we've been doing a lot of work in recent months to finalize our first disability inclusion strategy. That strategy we are preparing is very much in line with the requirements of the UN disability inclusion strategy. The idea is really to work towards a vision where, internally, every employee, every colleague, and externally every inventor, every creator, every innovator can contribute fully with their talents to the global IP ecosystem. Very practically, we have been working on an internal mapping exercise, a lot of awareness raising with staff, we have engaged with the Director General and with the Sector Leads. We continue to do that during the course of this year. We are also very much engaged with external organizations with experience in this area, so for example the World Blind Union, we are working with them, we are working with a number of persons with disabilities to make sure we really understand what we need to do. We have started some processes already, so while we are finalizing the strategy we have taken some steps already. On digital infrastructure, we are working very hard as we develop the next generation of IP tools, and so of course in particular our flagship project, the IP Portal, to ensure accessibility is very much a key criteria as we develop that, including in the job application portal. On procurement, our procurement manual now includes specific provisions to consider disability inclusion in the procurement process for events and our Diplomatic Engagement and Assemblies Affairs team is in the room with us.

WIPO has put into place a system to collect any requests for accommodation by guests for WIPO, and then hopefully we provide those and after we assess your satisfaction. If you have not come across that and if you would like more support there, please do reach out to the team we have today who can help and guide you. With your authority Chair, on the physical environment we have done a number of things already and we have a number of things in the pipeline.

141. Secretariat: Thank you very much Mr. Chair, and thank you everyone. I would like to make a few comments concerning the improvements we have implemented in our premises over a number of years, and in particular in respect of this conference hall, on progress made during its construction. I could give a couple of examples of what you may see at some of the desks for physical access, including for persons in wheelchairs, as well as the so-called "inductive loop" for persons with hearing disabilities. There are a number of other places in this conference hall and around which I could comment on further if you wish after the meeting sessions. For all of our renovations and major maintenance works, we have included a key criteria, which is whether we can improve physical accessibility, and if so, how. We have done so in the AB building (the tower) very recently, with, in particular, the improvement of the elevator system: we have included what is, at this moment, the standard for access facilitated for persons with various disabilities when travelling through the building, both on the elevator landings and in the elevators themselves. We have also planned works which will take place during the summer, immediately after the Assemblies, for improving certain facilities adjacent to meeting rooms on the ground floor and first floor of the AB building, in particular, the restrooms. We have also included in the scope of our various upcoming renovations, including those in the AB building, a number of features that will be decided upon in the months and years to come. We have also added a number of basic features in interpretation booths, for interpreters servicing our meetings. I would like also to indicate that, at the entrance to our buildings, from the speed gate areas and around, a number of features are specifically designed for persons in wheelchairs or persons who have various mobility disabilities. I will conclude with one other type of additional measures in place in the delegates' parking: parking spaces designed for persons with disabilities, with a much closer access to the elevators landing. There are many dedicated features which I could comment on now in further detail, but I am available to any delegate present or remotely, if you would like to have particular information about any of those features. Thank you very much.

142. Chair: I thank the Secretariat for providing additional information as desired by Member States responding to queries and questions by Member States. I would like to open the floor to Member States for their comments, if any, in response to the information provided by the Secretariat.

143. Delegation of Algeria: Thank you Mr. Chair. We would like to comment on the work undertaken by the Secretariat in order to improve the accessibility and disability inclusion within WIPO context. We would like to highlight that compared to other UN agencies, we think that WIPO is behind the schedule when it comes to implementing and adopting holistic and comprehensive strategies on disability inclusion. We urge the Secretariat to submit to the PBC a holistic and comprehensive strategy on disability inclusion because we need to have a timeline on this issue. We think that the accessibility should not be limited to physical accessibility. There needs to be digital accessibility, and making the information available for all delegates and disabled delegates online, so that they can know what other services that are made available for them, but also when it comes to procurement, I think there are many things, and Member States are ready to make some proposals in order to improve this issue, which should be dealt with in a comprehensive manner, but we also recognize all the initiatives and activities that have already been undertaken and that are ongoing in this regard. Thank you.

144. Chair: I do not see any more requests for the floor at this stage. Thus, we have concluded the discussions and the decision item. Now I would like to propose to the Committee

to take the decision on this agenda item. It will be displayed before you, but I will also read it out for you:

145. The Program and Budget Committee (PBC):

(i) took note of the present report (document WO/PBC/34/6);

(ii) welcomed and endorsed the Secretariat's assessment of the status of the implementation of recommendations under:

JIU/REP/2021/6 (Recommendations 1, 2, 3, 5 and 6);

JIU/REP/2021/5 (Recommendations 1 and 2);

JIU/REP/2021/2 (Recommendation 3);

JIU/REP/2020/8 (Recommendations 4 and 7);

JIU/REP/2020/6 (Recommendations 1, 2, 3, 5 and 6);

JIU/REP/2020/5 (Recommendations 1, 2 and 3);

JIU/REP/2020/1 (Recommendation 3);

JIU/REP/2019/9 (Recommendation 1);

JIU/REP/2018/6 (Recommendations 5 and 8);

JIU/REP/2017/3 (Recommendation 2);

JIU/REP/2016/9 (Recommendations 2, 3 and 5) as set out in the present report; and

(iii) called on the Secretariat to propose assessments for the open recommendations made by the Joint Inspection Unit (JIU) for Member States' consideration.

ITEM 9 WIPO PERFORMANCE REPORT 2020/21; ITEM 10 INTERNAL OVERSIGHT DIVISION (IOD) VALIDATION REPORT OF THE WIPO PERFORMANCE REPORT 2020/21

146. Discussions were based on documents WO/PBC/34/7 and WO/PBC/34/8.

147. Chair: "It seems all of us want to go ahead with consideration of Agenda Items 9 and 10 together, since these items are related. We will begin with Agenda Item 9. Documents to be presented under these two Agenda Items, is document WO/PBC/34/7 under Agenda Item 9 and document WO/PBC/34/8 under Agenda Item 10. Let us proceed to consideration of Agenda Item 9. The WIPO Performance Report 2020/21 is a self-assessment of program delivery and of the achievement of our organizational results for the 2020/2021 biennium. I would like to pass the floor to Assistant Director General, Administration, Finance and Management Sector for his presentation."

148. Assistant Director General, Administration, Finance and Management Sector: "Thank you very much again, Mr. Chair. The WIPO Performance Report (WPR) for 2020/21 provides an assessment of the financial performance and achievement of expected results against the criteria established in the Program and Budget for the 2020/21 biennium. The WIPO Performance Report 2020/21 is an end-biennium report and it assesses performance and progress made towards achieving the expected results, as measured by the performance indicators and with the resources approved in the Program and Budget 2020/21. The Capital Master Plan Progress Report (Annex IX) has been enhanced in the WIPO Performance Report 2020/21 to include more streamlined reporting for projects under the one million Swiss franc threshold. This differentiated reporting approach mirrors the proportional scale of the projects, and we believe it is in line with the recommendations of the WIPO External Auditor. In addition, also in line with recommendations of the External Auditor, the rating scale for the WIPO Performance Report 2020/21 has been updated, and therefore, the biennial results are not comparable with the results for the last biennium. In 2020/21, a total of 58 per cent of targets

were fully achieved; 16 per cent were partially achieved; 19 per cent were not achieved; and seven per cent were not assessable. Two performance indicators, or one per cent, were discontinued. Mr. Vice-Chair, the detailed performance data tables for each Program are provided through hyperlinks and QR codes, in order to enhance readability and reduce the length of the document while ensuring no loss of data. The QR codes are aimed at facilitating access to the information using mobile devices. They can be accessed through the camera on your mobile phone and please do not hesitate to ask for support if you need it. Mr. Chair, the IOD Validation Report on the WIPO Performance Report 2020/21 in WO/PBC/34/8 provides support to ensuring the reliability and authenticity of the WIPO Performance Report for the biennium 2020/21. That ends my report, I hand back to you Mr. Vice-Chair.”

149. Vice-Chair: “Thank you very much, Assistant Director General for your statement. As you know, his Excellency the Ambassador had to leave, so it is my honor to take over his functions in the Committee. You know me already and you know I am always pleased to be at your service and the service of the Member States and give support to the Secretariat. As explained already, we shall now move on to Agenda Item 10, WO/PBC/34/8, concerning the validation of the WIPO Performance Report 2020/21, from the Internal Oversight Division. This report of the Internal Oversight Division concerns WIPO's performance in 2020/21, it will provide conclusions and recommendations from the Internal Oversight Division concerning this budgetary exercise, which I just mentioned to you. Then, in time, we shall go around the table and I now give the floor to Mr. Rajesh Singh, Director of the Internal Oversight Division, Mr. Singh, you have the floor.”

150. Director, Internal Oversight Division: “Thank you, Mr. Chair. Distinguished Delegates, Ladies and Gentlemen. WIPO assesses the performance of its Programs annually, based on an approved performance framework. IOD performed an independent validation of the WIPO Performance Report based on a random selection of one performance indicator per Program, except for Program 20, where two performance indicators were selected. The validation exercise contributes towards further enhancing accountability for results within the Organization; and this is the seventh independent validation of the WIPO Performance Report conducted by IOD. The objectives of this validation were to provide an independent verification of the reliability and authenticity of performance information contained in the WIPO Performance Report 2020/21; and follow-up on the implementation status of recommendations of the previous validation report through documentary and other corroborative evidence. On the scope and methodology, 32 performance indicators were assessed in the context of the validation exercise. IOD also assessed the accuracy of the Traffic Light System used to report on the achievement of the target set for each performance indicator. IOD notes that the WIPO results framework has been streamlined in the 2022/23 biennium to align with a new Medium-Term Strategic Plan for 2022-2026. The MTSP articulates the vision, mission of WIPO supported by four strategic pillars, and the foundation. The number of expected results has decreased from 38 to 16, and performance indicators from 288 in the 2020/21 biennium to 77 in the 2022/23 biennium. This shift will positively affect the validation process by reducing the cycle and enabling IOD to cover all performance indicators within the two biennia going forward. Let me list some key positive outcomes, which IOD found in the validation exercise. Given the conditions resulting from the COVID-19 pandemic, IOD recognized the effort made by the Secretariat, to maintain a relatively high level of delivery. While the outcome of the validation shows lower figures compared to the 2018/19 biennium, these are only slight decreases, which confirm the effort made during the challenging periods of 2020 and 2021. Thirty performance data (94 per cent) were validated as relevant and valuable in 2020/21 compared with 31 for the previous biennium; 29 performance data were validated as sufficient and comprehensive in comparison to 30 performance data in the previous biennium; 28 performance data were validated as efficiently collected and easily accessible, compared to 31 performance data in the previous biennium; 28 performance data were validated as accurate and verifiable in comparison to 30 in the previous biennium; 31 performance data were validated as timely reported, which is an increase compared to 30 performance data in the previous biennium; 31

performance data were validated as clear and transparent, which is again, an increase compared to 30 performance data in the previous biennium; similar to 2018/19, all performance data had an accurate self-assessment of their traffic light system in the current biennium. The overall quality of performance data has remained high with four of six validation criteria rated between 91 and 97 per cent, and a 92 per cent overall rating. Some of the other key achievements, related to program performance management and the results-based management framework during the 2020/21 biennium can be summarized as follows: as reported under Strategic Goal IX, the RBM reached a higher level of maturity by the end of 2021, and was an enabler for the design and implementation of the Organization's new vision and key strategies, including the transformation of the Organization's Strategic Framework, which was restructured under four Strategic Pillars and the Foundation. The rating scale for the WIPO Performance Report 2020/21 was further strengthened in line with the recommendations of the External Auditor, by adjusting the performance indicator evaluation scale to better reflect achievements towards targets. The Capital Master Plan Progress Report, which is Annex IX of the WIPO Performance Report, was further enhanced. Some of the other validation results: Overall, 30 performance data were found to be sufficiently meeting the validation criteria, one had partially met this, and one did not meet the criteria as data was not available. As indicated in the previous WIPO Performance Report validation reports, IOD notes that output indicators only partially contribute towards gathering the relevant information required to assess progress towards achieving expected results. The internal stakeholders, who were engaged with IOD, continue to highlight the quality and relevance of indicators. The remarks were centered on, among others: the Programs' ability or inability to influence the performance indicator because achievement is dependent on a third party; instances where the performance indicator has been modified across biennia resulting in changes in performance data; and the limited value that some performance indicators might have in measuring performance because they focus on quantitative and not qualitative aspects of services; and challenges in identifying initiatives that can be considered as performance data. The validation of the sample of performance data for their respective performance indicators identified instances where the targets were set lower than baselines. These instances occur because the Organization sets thresholds as it is unreasonable to continuously increase targets. Going forward and for clarity, the Program Performance and Budget Division will use the term "reference point" in lieu of "baseline" to indicate such instances. Further, there was one instance where the target has remained constant over three biennia. IOD identified one instance where the performance indicator was not fully aligned with the performance data. Further, IOD found that reporting capabilities within the recruitment system could be further enhanced to facilitate the generation of the performance data for the performance indicator. Drawing some conclusions, overall the valuation exercise reconfirmed continuous improvements in the Organization's RBM Framework, and emphasized the efforts made by programs, to continue to perform and deliver despite the challenges brought about by the pandemic. IOD would reemphasize the necessity to ensure that performance indicators that have been retained or developed in the restructured results framework, based on the new MTSP 2022-2026, be fully relevant and strike a balance between measuring outputs, outcomes, and impact. Furthermore, and as indicated during the discussions with stakeholders, the Organization needs to continue to establish measures to further enhance systems to support the capturing of performance data and promote information sharing as an enabler for further efficiency and effectiveness. On recommendations, the pending recommendations from the validation of the 2016/17 WPR is no longer applicable as the performance indicators concerned have been discontinued in the current biennium. Subsequently, there are no open recommendations related to the validation of the WIPO Performance Report. Following this validation exercise, IOD makes one recommendation to the Human Resources Management Department on the need to align the definition of the performance indicator with the performance data and current practices, and enhance the current recruitment system to better capture the performance data. I have concluded my remarks, thank you very much for your kind attention, I am happy to answer any questions or receive any comments you may have, thank you, Mr. Chair.

151. Vice-Chair: I thank Assistant Director General, Administration, Finance and Management Sector and the Director, Internal Oversight Division, for the presentation of their respective reports. I would now like to open the floor for any comments by the Member States on the two reports that have been presented to us.

152. Delegation of Germany: Thank you, Mr. Chair. I take the floor on behalf of Group B and will address the Agenda Items in order. First, Agenda Item 9. Group B would like to thank the Secretariat for preparing the comprehensive WIPO Performance Report 2020/21 contained in the document WO/PBC/34/7. Group B welcomes the very positive financial results for the biennium 2020/21, which significantly exceeded the projected revenue and for which we congratulate the Secretariat and the Organization as a whole. More than 95 per cent of WIPO's income stems from fees paid by users of its international intellectual property systems. This again underscores the important role that WIPO's registration systems play as a financial backbone of the Organization. The main contributor to the Organization's income is the PCT system followed by the Madrid System and in that regard, we are pleased to see that the number of international applications filed under the PCT system was 0.5 per cent above the estimate, and in the Madrid System, was 0.7 per cent above the estimate despite the disruption of the COVID-19 pandemic. We wish to recall that the main driver for WIPO's revenue is the intellectual property filing services, which are in turn dependent on the global economy. Therefore, a continued prudent and cautious and effective management remains key for continued positive performance in the coming biennium. We continue to welcome efforts to streamline and improve in this area. The strategic goals dashboards, and an overview of performance by expected results are particularly useful tools. Reporting in this way has enabled us to obtain a comprehensive assessment of the program progress against objectives, an important indicator of value for money. That said, it may also be helpful to also include a traffic light system so that it is immediately visible whether performance is good or bad. To conclude, Group B acknowledges the very positive financial performance of WIPO 2020/21 and encourages the Secretariat to continue on this path. Thank you Mr. Chair, and I now come to Agenda Item 10, the Internal Oversight Division's validation report. Mr. Chair, Group B welcomes the report and independent validation of the report is good practice, which we appreciate and find very helpful. We welcome the assessment by the Secretariat of the quality and impact of performance data that informs the results-based management framework. We note that there has been a slight decrease in the perceptions of performance data quality since the last biennium. However we are pleased to learn that regarding the conditions arising from the COVID-19 pandemic, a relatively high level of delivery has been maintained, which confirms the effort made during this challenging period. Our Group also welcomes the streamlining of the WIPO results framework in the 2022/23 biennium to align with the new Medium-Term Strategic Plan and in particular the significant decrease in the number of expected results and performance indicators, which will help to increase comprehensibility. We acknowledge the recommendation of the IOD to the Human Resources Management Department to redefine the recruitment lead time performance indicator to align with current practices and enhance the report capability within the recruitment system to efficiently generate data for this indicator. Finally, Group B supports the plan of the IOD to undertake a combined audit and evaluation of the results-based management framework in 2023. In view of the changes made, this will contribute to a better understanding. Thank you, Mr. Chair.

153. Delegation of China: Thank you Mr. Chair. China thanks the Secretariat for its efforts in preparing the WIPO Performance Report 2020/21. Regarding the overall operation and performance in the previous biennium by this Organization, China is generally pleased with the robust and healthy financial position of this Organization. On some specific points, China wishes to make the following comments. On strategic goal number two, China notes that PCT, Madrid, the Hague, arbitration and mediation and other important IP service systems have seen continuous increases in service demand in the previous biennium. This is owing to the increasingly active trend of global innovations as well as positive cooperation between WIPO's global IP systems, Member States and stakeholders. China notes that PCT, Madrid and other

systems have maintained their high productivity and quality of service and have been making stable progress. Which is impossible without the hard efforts made by the wide examiner community by overcoming impact costs by the COVID-19 pandemic. China highly appreciates it. On strategic goal number three, China appreciates the fact that in this biennium, the WIPO Academy, the Division for Asia and the Pacific and other development departments with the leadership of the Director General have overcome difficulties posed by the pandemic. They have actively provided technical assistance and capacity building to developing countries. China supports the mainstreaming of the WIPO Development Agenda, as well as the effective alignment of WIPO's efforts with the UN Sustainable Development Agenda. Strategic objective number four. In 2020, typical judgements of IP cases in China were included into the WIPO LEX judgements database, which facilitate the world's understanding of China's IP judicial practices. With the support and engagement of CNIPA, the WIPO TISC project is thriving in China. It has seen 101 TISCs in China and the IPO international classification amendment work has also made positive progress. We appreciate support provided by relevant departments of WIPO on strategic objective number seven, China congratulates the revamping of the WIPO Green database in the year 2021. It has introduced smart search and automatic matching capacity in the current database and owing to the addition of relevant patent data, the scale of the database has increased by 38 times. This will help users to better use this database to match growing technologies and demand work. Strategic goal number VIII, China appreciates the fact that UN official languages including Chinese, are being actively used in the generation of short videos. In this biennium, the China Office has organized a series of popular promotional activities, including a Hague seminar for Chinese users of the system, government departments and industrial associations and has done official outreach to the society at large which have become aware of WIPO activities and services. The Chinese public's understanding of WIPO has effectively been elevated. On the WIPO cybersecurity framework contained in Annex 9 of the report, China thanks the Organization for publishing such a report. We also thank the auditing work carried out by the IOD on WIPO cyber security management. Such report helps Member States to better understand the ongoing work and future plans, policies and mechanisms of the Organization. China believes that WIPO as a specialized UN agency that aims at serving global IP users, needs to carry out further work and continuously enhance its efforts in improving cybersecurity and protecting users' data security. With regards to China's Funds-in-Trust, over the past year despite challenges posed by COVID-19 on certain projects, this fund has actually continued to support developing countries in carrying out cooperation projects including projects related to Geographical Indications, the Madrid System and training. It also provided support to the inaugural meeting on global TISCs. In the future, China is ready to work with the Organization to ensure that the Funds-In-Trust of China will continue to carry out more projects and activities in support of IP in the developing world. Thank you for your attention. Thank you Chair.

154. Delegation of Slovakia: Thank you Mr. Chair. The CEBS Group would like to express its gratitude to the Secretariat for preparing the comprehensive WIPO Performance Report for the period 2020/21 as well as the performance dashboards which are well structured by strategic goal and program. The CEBS Group welcomes the excellent financial results for the biennium 2020/21 and we commend the work of the Secretariat in this regard. We note with pleasure the positive achievements in different areas, notably in treaty accessions, where 87 new treaty ratifications or accessions to WIPO Administered treaties were made during the biennium and we are satisfied to hear that the majority of Member States depositing their ratification instruments were from transition and developed countries. At the same time we take positive note that despite the challenges of the COVID-19 pandemic, the growth in the demand for WIPO IP services has continued and patent filings under the PCT has continued to increase in both years. We acknowledge that focus on youth, on the adoption and implementation of national IP strategies and on programs increasing the participation of women in the IP ecosystem still remain priorities for WIPO. We also note that the interest in the Global Innovation Index was enhanced. We are also glad to see that the majority, i.e. 56 per cent of the performance indicators of the expected results under Program 10 for transition and

developed countries have been achieved. However, we recognize that in comparison to the previous biennium, the percentage has slightly decreased. The CEBS Group commends the Secretariat for the efficient efforts in adapting its work processes to the challenges caused by COVID-19, which has enabled the continued delivery of its IP services. We also note the role of the Crisis Management Team in managing the move to fully remote working modalities in a matter of weeks. On this basis, and in response to the COVID-19 pandemic, we welcome the launch of the WHO, WIPO, WTO trilateral cooperation which has addressed the pressing global challenges of a cross cutting nature, including public health, access to medical technologies, IP and trade. We are confident that WIPO will continue its effective management to prevent any negative impact in the current biennium and navigate with excellence the processes for the next two years. Thank you.

155. Chair: We have come to the end of this session. I would like to conclude this afternoon session with thanking all the Member States for the excellent cooperation that they have rendered to the Chair. And also to the Secretariat for their comments, information they provided to the Member States. I would like to wish you all a very good evening.

156. Vice-Chair: Dear Delegates, Good morning, it's a pleasure for me to open this second day of this 34th session of this Committee. I do this in the absence of our Chair, who will come a bit later on. I would like to recall that in this Committee, and many of you know me already, I always try to work in a flexible manner. So I will remind you of the limit set by the Chair for comments, three minutes for the Regional Coordinators and two minutes for other delegates. So, we will start with Agenda Items 9 and 10.

157. Delegation of India: Thank you Mr. Vice-Chair for giving me the floor. India has the honor of delivering the statement on behalf of the APG. The APG would like to thank the Secretariat for preparing the comprehensive WIPO Performance Report 2020/21. The Group welcomes the excellent financial results for the 2020/21 biennium and commends the Secretariat in that regard. The Group notes the decrease to 58 per cent in overall performance indicators assessed as fully achieved from the last biennium, however, the Group believes that this is no cause for alarm, but caution. Understandably, the COVID-19 pandemic may have had an impact on various programmatic activities, and the Group is interested in knowing how WIPO plans to ensure that this adverse impact is mitigated from spilling into the next biennium. The Group is confident that WIPO will continue to exert additional efforts towards increasing performance, especially under Strategic Goal 3 and 4 and across the board on all indicators. I thank you, Mr. Vice-Chair.

158. Delegation of Algeria: Thank you, Vice-Chair. Algeria is honored to make this statement speaking on behalf of the African Group. The African Group has noted the WIPO Performance Report and also the validation report. These reports are contained in WO/PBC/34/7 and 8. We thank the Secretariat and the IOD for having prepared these documents. The African Group congratulates WIPO and what it has achieved during the 2020/21 biennium despite the difficult context brought about by the adverse effects of the COVID-19 pandemic. The Group is particularly happy to see that WIPO has a robust financial situation, thanks to the strong and sustained performance of the international IP systems. The Group notes that 58 per cent of the performance indicators as evaluated were considered as being fully achieved in 2020/21, and 16 per cent were considered as partially achieved. Nonetheless, 19 per cent of the indicators evaluated were considered as not having been achieved. Given the impact of the global crisis on WIPO's performance, the African Group emphasizes the importance for WIPO of setting up plans to be prepared for emergencies and developing a framework for responsibilities, defining clearly the roles of various stakeholders. The African Group is happy to note that the development expenditure stabilized at 13 per cent of the total expenditure for 2020/21. Technical assistance was mainly delivered virtually. This made it possible to keep going with programs that are focused on development for Member States. As for the membership of WIPO of the United Nations Sustainable Development Group, the African Group would invite the

Secretariat to appoint a structure that will be responsible for coordinating activities involving cooperation with other international and UN bodies on the SDGs, and we support the participation of WIPO within the UN Sustainable Development Group. Further, the African Group believes that the validation report prepared by the IOD is an essential tool to give independent assurance as to the fact that the framework for implementation of WIPO programs is in step with the results grid approved by Member States. The Group notes positively that the results for WIPO, in terms of the way they are presented, has been streamlined for 2022/23. It is now possible for the IOD to cover all of the performance indicators over two consecutive budgetary periods. We encourage the IOD to monitor closely the transition to the new results framework in order to ensure that the evaluation methods for measuring performances are adapted to the needs of the MTSP 2022-2026. We call upon the Secretariat to put into practice the recommendation from the validation report of the IOD as to redefining the indicator for delays in recruitment. Thank you.

159. Delegation of the Dominican Republic: Thank you very much, Mr. Vice-Chair. The Delegation of the Dominican Republic is taking the floor on behalf of GRULAC. We would like to thank the Secretariat for the WIPO Performance Report, which shows the general health of the Organization. We welcome the exchanges that have taken place on the following issues related to IP and development-related topics: the role of Technology and Innovation Support Centers (TISCs) as a catalyst for technology transfer, and women and IP. Particularly we are pleased to see these discussions took place in a series of sharing sessions dedicated to closing the gender gap in IP with the goal of increasing the participation of women in the IP ecosystem. We are pleased to continue this debate and to encourage the measures necessary to address these questions and other themes such as the participation of youth in IP and IP and SMEs which continue to be a priority.

160. Delegation of Singapore: Thank you, Vice-Chair, as this is the first time Singapore is taking the floor, we would like to congratulate the Chairs and Vice-Chairs on their appointments. My statement will address Agenda Item 9 on the WIPO Performance Report 2020/21. Singapore welcomes the strong financial performance of the Organization, as reflected in the various reports that continue to highlight WIPO's sound governance and stable financial position. We further extend our appreciation to the external auditor for their work. Despite the pandemic, WIPO continued to benefit from the high demand for its fee-based services in 2021, including, for example, 14.4 per cent increase in Madrid applications. This reflects the global trust and relevance of the IP system, as a critical driver of innovation, competitiveness and growth. We also recognize the continuing trend from previous years in the increase in employee benefit liabilities, particularly in the After Service Health Insurance (ASHI liabilities), and look forward to the proposal on the WIPO funding plan for the ASHI liabilities to be discussed in this PBC. Thank you.

161. Delegation of Spain: Thank you very much, Mr. Vice-Chair. The Spanish Delegation, would like to echo the statements made by Group B and we understand that the Performance Report of WIPO is a portrait of the progress made by the Organization in all aspects of its activity. We positively value the healthy financial situation of the Organization. This demonstrates the strength of intellectual property throughout the world, especially in international protection systems. In particular, we would like to congratulate and encourage the Arbitration and Mediation Center, which has obtained a 38 per cent increase in its income in 2020/21 as compared to what was estimated for the biennium. This shows that WIPO's new activities, in addition to being considered of high added value by users, do result in new sources of income for the Organization. We would like to encourage the Secretariat to explore synergies in mediation and arbitration, particularly bearing in mind the role of the Appeals Chambers. Concerning the implementation of the Program and Budget under the strategic goals, although we appreciate that acceptable performance levels were reached, we wish to encourage WIPO to continue to improve. In addition to this general evaluation, the Spanish Delegation would like to emphasize three aspects. Firstly, we are happy to see the healthy income of the Madrid

System in 2021 as compared to 2020, and as we have said on previous occasions, we would like to emphasize the importance of continuing to promote the advantages of this System, particularly for trademarks, which is particularly dynamic and sensitive, to changes in the economic cycle. For this we would like to ask the Secretariat to continue to make efforts to enhance the attractiveness of the services offered by the Organization, and increase the accessions to Treaties, which will require investments, both in the staff and in financial resources, which will be reflected in the budget. Secondly, an aspect that concerns us, and that also unfortunately affects National Offices, is the difficulty of recruiting effective human resources with the appropriate technical training, and retaining this talent to guarantee the stability in the implementation of projects. This can be observed in relation to the Capital Master Plan projects number 10, the Madrid IT platform, and number 25 which relates to the treasury management system. This is why we would like to warn that this situation could cause problems and we propose to study potential solutions. In relation to staff costs, the Spanish Delegation considers it very positive that a decrease in staff cost is due to the reduction in the number of temporary contracts. As long as this, at the same time, means that WIPO is strengthening its staff management framework, with fixed and stable contracts. We emphasize the fact that since WIPO is an organization based above all on the management of human talent, these expenses are necessary as long as you operate in a financially prudent manner. Thank you.

162. Delegation of the Russian Federation: Thank you, Vice-Chair. We would like to thank the Secretariat for having prepared and submitted the WIPO Performance Report 2020/21. We are also grateful to the IOD for the validation report and the information submitted therein. We note the complexity of the statistical data presented in the report and also the positive financial results achieved, as well as the results of the activities of the Organization regarding its programmatic work during the period under consideration. We welcome the stable indicators for this Organization in the biennium, despite the turbulent situation that was caused by the COVID pandemic. Thank you.

163. Delegation of the United States of America: Thank you, Vice-Chair. The United States supports Group B's statement and the United States also thanks the Secretariat for preparing the WIPO Performance Report for the 2020/21 biennium. We note the continued growth of the systems over the biennium, which was a very challenging period for inventors, institutions and governments. On another note, the United States would welcome clarification regarding some transfers in several programs throughout the budget. In particular, we note that after the approval of the 2020/21 budget, there were some sizeable budget transfers for performance indicator II.9, concerning the wider and more effective use of the Lisbon system, including by developing countries and LDCs, in particular in connection with program 9, 10 and 20. We would appreciate if the Secretariat might be able to explain the process of these transfers, and where the money for those transfers was moved from. The United States is concerned with the allocation of funds for the use of promoting the expansion of the Lisbon System and as noted in the report, the Lisbon System is still operating at a substantial total deficit, which appears now to be at a total negative net asset position of 7,463,000 Swiss francs. The United States insists that the members of the Lisbon agreement comply with their Treaty obligations and either raise fees to support the operating costs of that System or otherwise find the funds to support those costs without continuing to rely upon fees generated from other WIPO registration systems. Thank you very much, Vice-Chair.

164. Delegation of the Democratic People's Republic of Korea: Thank you, Mr. Vice-Chair. The Republic of Korea would like to express our appreciation for the hard work of the WIPO Secretariat in preparing these comprehensive reports. Regarding Strategic Goal II, we note that the international patent filing under the PCT continued to increase steadily, both in 2020 and 2021. In this regard, the Republic of Korea was able to show the highest rate of increase in total PCT applications filed in 2021, among the top five countries. We believe there is a necessity to strengthen localized support and services, to assist applicants from some regions,

which will contribute to the success of the premier global IP service. Regarding Strategic Goal III, we note that the distance learning program of the WIPO Academy, which has been one of the most effective IP educational tools during the COVID-19 pandemic, continued to show strong growth in 2020 and 2021. With a total number of participants in the distance learning courses reaching more than 266,000. We appreciate the efforts of all staff of the WIPO Academy in achieving this result. Lastly, as regards Annex X, we also note that the Funds-In-Trust of the Republic of Korea, especially in the field of industry property and IP education, have been contributing to bridging the IP gap between developed and developing countries, including through the online education on IP and AI, as well as publication of the WIPO White Paper on blockchain technologies and IP ecosystems. Thank you, Mr. Vice-Chair.

165. Delegation of Japan: Thank you, Mr. Vice-Chair. First of all, the Delegation of Japan would like to express its gratitude to the Chair, Vice-Chair and the Secretariat for their dedication, their reporting and organizing of this meeting. This Delegation aligns itself with the statement delivered by the distinguished Delegation of Germany on behalf of Group B. At the outset, we would like to commend the Secretariat for their hard work in compiling the WIPO Performance Report 2020/21. This Delegation would like to comment on the results described in the report. Regarding Strategic Goal VII, addressing IP in relation to global policy issues, Japan has been supporting the activities of WIPO Green in cooperation with the WIPO Japan Office through the utilization of the Japan IP Global Funds-In-Trust. Since the number of WIPO Green partners in Japan is the largest in the world and each partner has been proactive in terms of participating in related activities, this Delegation accordingly recognizes that they make a significant contribution to the development of WIPO Green. We look forward to working with many partners in this regard. Furthermore, the Funds-In-Trust progress report for 2021 in Annex X provides an overview of the key results achieved under the Funds-In-Trust in 2021. For example, the Japan IP Global Funds-In-Trust is used to fund the following four activities: First, the Masters degree in intellectual property programs in Africa; Second, workshops to promote IP education among young people; Third, digitization of IP documents; Fourth, IP advantage initiatives. Thank you, Mr. Vice-Chair.

166. Delegation of Canada: Canada thanks the Secretariat for their preparation of the report and congratulates WIPO's management and staff for their many achievements. WIPO's performance in the reporting period is commendable, especially given the challenges brought on by the pandemic. Canada notes that in its assessment of Program 20, the Secretariat reports positively on the performance of the External Office network, notably on how these offices enhance the efficiency and effectiveness of program delivery and respond to the specific needs and priorities of the countries and regions they serve. Canada would welcome more information on how the Secretariat came to these conclusions, including how it developed and applied the criteria and indicators used to assess the performance of External Offices within Program 20. Thank you.

167. Delegation of Pakistan: Yes, thank you very much, Mr. Vice-Chair, this statement concerns both Agenda Item 9 as well as Agenda Item 10. My Delegation takes note of the positive financial and programmatic performance of the Organization in the biennium 2020/21. My Delegation also thanks the Internal Oversight Division for its validation report. These self-assessment reports continue to serve as important checkpoints to measure organizational performance. We commend WIPO's leadership and the Secretariat for providing technical assistance activities tailored to the needs and priorities identified by Member States. A number of excellent initiatives have been launched during the current biennium. As the health situation continues to improve, we are looking forward to the implementation of these projects on the ground. We also look forward to maximum budgetary utilization under all programs including those related to development during the ongoing biennium. I thank you Mr. Vice-Chair.

168. Vice-Chair: So, at this point, we have no further requests for the floor. So, in order to be able to answer the various comments and questions that were raised by delegations, we are

going to take a five minute break. So that the Secretariat can provide you with the necessary answers. Thank you. Ladies and gentlemen, Excellencies, Delegates, thank you for your patience and your constructive attitude, the Secretariat has been listening to all your concerns, proposals, suggestions, and therefore the Secretariat will now answer you. So, in order for them to be able to answer you, I will give the floor to Assistant Director General, Administration, Finance and Management Sector. Later, I can give the floor to other members of the Secretariat to answer the questions.

169. Assistant Director General, Administration, Finance and Management Sector: Mr. Vice-Chair, thank you very much, very good morning everyone, if I may I will give introductory comments, and then my team and other colleagues will help respond in a little bit more detail to some of the questions. I firstly wanted to just recall very much that this WIPO Performance Report does represent an increase in ambition. And so therefore, a number of delegations noted the 58 per cent score, that is of course very valid. That also reflects that we have lifted the bar up, from 90 per cent to 100 per cent for achievements. So we have said we cannot be achieving something if we are not really achieving it. So, it increased the bar over previous biennia. That I think has resulted in a little bit of impact on the overall score. COVID has as well, and of course many of you mentioned the adverse impact of COVID. There was a question from a distinguished Delegate of India on our work to monitor that impact, particularly the impact going forward. It is something we do very actively, both in the Sector Lead team, the risk management team, and our colleagues in finance. As the Director General mentioned yesterday, firstly in respect to the systems, so far, despite the many challenges of the pandemic, the demand for the global IP services has remained pretty robust. That has been in response to a trend of digitalization, a trend of increased use of technology during the pandemic and that has then been reflected in our IP filings. We do not rest on our laurels, we continue to watch those very closely, month to month, to ensure there is no sting in the tail, but so far the news has been fairly robust. The second point on this is on implementation. COVID has not gone away yet. It continues to have some impact on our ability to implement our programs, and the Director General and Sector Leads are putting a lot of focus on ensuring that month by month, quarter by quarter, we keep track of our implementation. Indeed the Director General convened all the directors from across the Organization about two weeks ago in this room, really to talk through, program by program, expected result by expected result, where we were on target in this biennium – we are a quarter of the way through – and where we might be slightly behind. If so, we are slightly behind, what we can do to really up our ambition and delivery to ensure that by the end of the biennium, we have delivered what we promised to you. Operationally, it does have a few impacts, air fares for example. COVID has had a very severe impact on the air travel industry and so on, things like flight costs, we are doing our absolute best to keep those as low as possible. Frankly, we are already above the target we set six months ago. We are working with our travel provider, working internally to keep those as low as possible. But the reality is COVID has had impacts on some of our delivery vehicles. Then finally, COVID as I said has not gone away, so we have an internal business continuity lead, we have a crisis response team, and they continue to meet regularly, to monitor the situation, to monitor the situation here in Geneva, and to ensure that we are prepared, including for a possible resurgence in the autumn. So, we continue, from the Secretariat's point of view, to monitor that for the safety, not only of all of my colleagues, but all of you, our Member States and other important stakeholders, so we continue to keep COVID and the possible future adverse effects very much under control. I think on some of the other questions, there was a question on the IOD Validation report, the implementation of the recommendation on recruitment delays indicator, which of course we're very happy to do. HRMD may have already mentioned that previously. I think there was a comment on the UN Sustainable Development Group, which we were delighted to join this year, we are working very closely with UNSDG. My dear friend and colleague, Assistant Director General, Global Challenges and Partnerships Sector is overseeing that. He is the focal point, working with his team, to make sure we integrate and benefit from that network, so Assistant Director General, Global Challenges and Partnerships Sector is very

much the lead internally on that process. There were a few further questions on the traffic light system, a question on the Lisbon System and on temporary staff costs.

170. Secretariat: Thank you. Group B referred to, in relation to the WIPO Performance Report, the traffic light system, and whether we could, add the traffic light system to the WIPO Performance Report. I think the specific proposal was to add it to the Strategic Goal and the expected result section of the report. We thank you for the suggestion, we will certainly look into it. I just wanted to recall, for the Committee, that for each of the programs, we have a very elaborate traffic light system. So, if you go program by program, for the performance data, and the details on the performance data, we slightly changed the traffic light system from the usual red, orange, and green, and we made it in various shades of blue. It is not by coincidence that we are the World Intellectual Property Organization so we thought we would invent something else, but it is there nevertheless, the purpose of it is the same, you have a traffic light system that is fully achieved, partially achieved, not achieved or non-assessable. You have a traffic light system and it is very elaborate when you go down to the program level, but thank you for the suggestion, I wanted to make that clarification that we do actually have a very elaborate system in the report, but we will look at your suggestion to bring it to the higher level as well. Then on the intervention of the distinguished Delegate of Spain on the drivers for the decrease in staff costs, if I may just provide a small clarification to that. So, it is actually not a decrease in the cost of temporary staff, and if I may refer you to table 5, on page 14 of the English version, you can see that the actual expenditure on temporary staff is pretty much as per the approved budget for 2021. One of the important drivers for the decrease in staff costs, was the part-time working arrangements. That is, in those cases, that is referred to on the previous page as 7.8 million Swiss francs as the impact. That is on staff working less than 100 per cent. So, there is an option for staff, in accordance with our Staff Regulation and Rules, that they can opt to work at 90 per cent or 80 per cent or 50 per cent and this is what that refers to. So just to provide the clarification. To the question from the distinguished Delegate of the United States of America. So actually, that is again a clarification, and thank you for the question. Actually, there has been no transfers, if I may say. What you can see, maybe I can refer you to Annex III of the WIPO Performance Report. When it says budget after transfer, it might be a bit misleading and I do apologize for that. But what it reflects is that the allocation of the personnel resources to this particular expected result was a bit higher during implementation, than in the approved budget. This is why we have a higher budget after transfer. However, if you look at the expenditure, expenditure was actually not at the same level as the budget after transfer, and there was no transfers made in terms of financial resources. It is a reflection of the difference in the percentage of the time of staff, who had been assigned to those expected results, and you can see that it was 1.1 million Swiss francs, whereas the approved budget was 928,000 Swiss francs, which means that it is an increase of 19 per cent if we compare with actual expenditure. But again, just to reassure the Delegation, there has been no actual transfer of resources to that expected result. Thank you.

171. Deputy Director General, Regional and National Development Sector: In reference to the intervention and question from the Delegation of Canada, I just wish to say a few words on the decrease of fully achieved performance, particularly in the Regional and National Development Sector. Far from being apologetic, I wish to share two main reasons. Firstly, there has been obviously challenging circumstances of operating in pandemic conditions. I noticed that the distinguished Delegation of India on behalf of the Asia and the Pacific Group and who also raised this challenging condition. For the Secretariat, including RNDS, here in headquarters, as well as External Offices, there was a decrease in the performance percentage. Some of the activities and programs last year were postponed or canceled due to the pandemic. It was proposed by the Secretariat, or on the request of the relevant Member State. Secondly, as informed by the Director General in his opening remarks yesterday, in response to the recommendation of the External Auditor, the definition of fully achieved has changed between biennia, so that it now equates to 100 per cent performance, as opposed to 80 per cent

previously. Rest assured, that in the first quarter of this year, we are beginning to get back on track on all the programs and activities. Thank you very much.

172. Secretariat: Just coming back to Canada's question on the effective functioning of the External Office network. This assessment is based upon the achievement of the performance indicators as contained in the WIPO Performance Report. So you will note that 60 per cent were fully achieved by the External Offices, and a further 15 per cent were partially achieved, bearing in mind, that as Deputy Director General, Regional and National Development Sector just said, there is a change in the definition of what is fully achieved. So these Offices, during the challenging pandemic times, remained on the ground, in contact with users and stakeholders, direct contact, delivering programs, delivering activities, and they did so throughout, as I say, those rather challenging times. As such, they continue to implement the expected results contained for them in the Program of Work and Budget, and continue to drive forward the Organization's mandate. Thank you.

173. Vice-Chair: Thank you for these comments. I understand that you have provided appropriate answers to the questions asked by the various delegations, so I would like to thank the Secretariat for this. If there are no further requests for the floor, we will consider this item closed and move on and look at the decision paragraphs related to this Agenda Items, number 9 and 10. First, Agenda Item 9 on the WIPO Performance Report 2020/21. On the document WO/PBC/34/7. If there are no requests for the floor, we will consider this paragraph to be adopted and so we have concluded Agenda Items 9 and 10.

174. The Program and Budget Committee (PBC), having reviewed the WIPO Performance Report (WPR) 2020/21 (document WO/PBC/34/7) and the Internal Oversight Division (IOD) Validation Report of the WIPO Performance Report 2020/21 (document WO/PBC/34/8), and recognizing its nature as a self assessment of the Secretariat, recommended to the Assemblies of WIPO, each as far as it is concerned, to take note of the positive financial performance and programmatic performance of the Organization towards achieving the expected results in the biennium 2020/21.

175. Vice-Chair: I see there is no request for the floor, so we will consider this decision paragraph adopted. We will move on to the next decision paragraph on agenda item 10. You have it on the screen, this has to do with the Internal Oversight Division validation of the WIPO Performance Report in 20/2021 on document WO/PBC/34/8 which is as follows.

176. The Program and Budget Committee (PBC) took note of the IOD Validation Report on the WIPO Performance Report for 2020/21 (document WO/PBC/34/8).

ITEM 11 ANNUAL FINANCIAL STATEMENTS 2021; STATUS OF THE PAYMENT OF CONTRIBUTIONS AS AT MAY 31, 2022

(A) Annual Financial Statements 2021

177. Discussions were based on document WO/PBC/34/9.

178. Vice-Chair: Very well, we will continue then with our agenda. It is a very busy agenda, so we will have to keep working. So, let us move on to Item 11. We will first look at the Annual

Financial Statements 2021 and the Statement of Contributions as of May 31, 2022, as you know with this Agenda Item there are a series of documents, WO/PBC/34/9 and WO/PBC/34/10. We will begin with 11(a), which is WO/PBC/34/9. In accordance with Regulation 8.11 of the Financial Regulations and Rules, the PBC is required to examine the Financial Statements and to forward them to the General Assembly with comments and recommendations. Accordingly, document WO/PBC/34/9 provides the Financial Statements of the Organization for the year ended December 31, 2021. I will give the floor to the Director, Finance Division to present this item.

179. Secretariat: Thank you Chair and good morning to everybody. The Annual Financial Statements for 2021 include the annual financial report and the Financial Statements for the year ended December 31, 2021. These Financial Statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and have received an unqualified audit report. This document also includes WIPO's Statement on Internal Control. The financial report provides a discussion and analysis of the results for the year as well as details of the financial position of the Organization at the end of December 2021. The Organization's result for 2021 showed a surplus for the year of 108.9 million Swiss francs, with total revenue of 475.1 million Swiss francs, total expenses of 388.9 million Swiss francs, and investment gains of 22.7 million Swiss francs. This can be compared to a surplus of 135.9 million Swiss francs in 2020, with total revenue of 468.3 million Swiss francs, total expenses of 365.8 million Swiss francs, and investment gains of 33.4 million Swiss francs. Total revenue in 2021 was up by 1.45 per cent on the 2020 figure. Total expenditure in 2020 was also up by 6.3 per cent, compared to 2020. As at December 31, 2021, the Organization had net assets of 408.5 million Swiss francs, with total assets of 1,577.3 million Swiss francs and total liabilities of 1,168.8 million Swiss francs. During 2021, the Organization's net assets increased by 21.4 million Swiss francs. The surplus for the year of 108.9 million Swiss francs was largely offset by the increase in actuarial losses related to WIPO's liability for ASHI, which totaled 87.5 million Swiss francs and was recognized through net assets. Thank you very much for your attention, I am happy to take questions. Thank you, Mr. Chair.

180. Delegation of Germany: Thank you, Mr. Vice-Chair. Group B would like to thank the Secretariat for preparing and introducing the document WO/PPC/34/9. We note with satisfaction that these Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and have a clean audit opinion. We welcome the positive financial results for 2021, which show a notable surplus as well as healthy balance of total assets and total liabilities. Our Group understands that the Annual Financial Report and Financial Statements is prepared in full accrual basis in accordance with IPSAS, which for 2021 leads to a reduction of the surplus from 143.7 million CHF to 108.9 million CHF as compared to the budget result. We are pleased to note an increase in revenue from Madrid System fees by 8.1 per cent compared to 2020. However, we note with concern the constantly increasing liability for After Service Health Insurance (ASHI). Group B is pleased that WIPO has realized positive financial performance, particularly with regard to the impact of the COVID-19 pandemic. Nonetheless, even though demand for WIPO's fee-based services was strong in 2021, we continue to encourage the Organization to exercise prudence in the coming biennium due to continuing uncertainties. Thank you, Mr. Vice Chair.

181. Delegation of Slovakia: Thank you Mr. Vice-Chair. Mr. Vice-Chair, the CEBS Group would like to thank the Secretariat for preparing and introducing the Annual Financial Report and Financial Statements for the year 2021. We share our satisfaction that despite the pandemic and its significant impact on WIPO's operations, the Organization recorded positive financial performance and surplus. We also note another increase in the use of WIPO's IP services, especially as the largest source of revenue during 2021 was PCT System fees, accounting for more than 76 per cent of total revenues. Also, we noticed the high rate of Organization's expenses in 2021 compare to 2020. We are aware from the Report that the Organization successfully tried to achieve a balance. We equally appreciate responsible

management of the Organization's financial resources and we believe that the Organization will remain on this path. Thank you.

182. Delegation of China: Thank you Mr. Vice-Chair. China thanks the Secretariat for the detailed Annual Financial Report and Financial Statements for 2021. I would also like to thank the Director of the Finance Division for the presentation of the Report. This Report was formulated in strict accordance with IPSAS, reflecting once again the open transparent, meticulous and cautious financial management style of this Organization. China welcomes the inclusion in the report of a new section on environment, social and governance, which once again demonstrates WIPO's commitment to the implementation of the SDGs. China expresses its satisfaction with WIPO's long-standing healthy financial position, growing surpluses and net assets, which is mainly due to the increasing trust and demand for the global PCT services system by global users. China notes that in 2020 and 2021, despite the impact of COVID-19, WIPO's financial surpluses still increased significantly reaching sum total of 245 million CHF. We hope this Organization will make good use of the surpluses and devote more resources to improving WIPO's global IP service system and IP for development, amongst other areas including further expanding the language coverage of the Madrid and Hague Systems to enhance their influence and broader application, thereby better safeguarding WIPO's long-term healthy financial situation. Thank you, Mr. Vice-Chair.

183. Delegation of Algeria: Thank you Vice-Chair. We wish to begin by thanking the Secretariat for having submitted the Annual Financial Report and Financial Statements 2021. We note that the expenditure for 2021 amounted to 388.9 million Swiss francs. We have a question about recruitment. We had not noticed any information about recruitment carried out by WIPO. On expenditure on new recruitment for instance, we do not see anything about that during the period under consideration. We have a question as to why that is. We also wanted to draw attention to another point. If we are to have equitable distribution within the staff, then we need to note that we do not have enough staff in the External Offices in Africa, for instance, in Algeria we just have one staff member. That has been the case since 2019. This was an issue that we raised at previous PBCs but nothing seems to have changed. We would like some clarification about recruitment in that regard. What kind of strategy is now being pursued to ensure that we do get staff, where we do not have sufficient staff, especially for the newly established External Offices in Africa. Thank you.

184. Delegation of Spain: Thank you, Mr. Vice-Chair. Thank you for giving us the floor. We would like to take this opportunity to associate ourselves with what was said by Group B. We would like to express our satisfaction with the good financial health of WIPO, which is very much demonstrated by the Financial Statements for 2021. WIPO has reached a surplus of 108.9 million CHF, which is very positive and enables us to look more ambitiously towards the future. 2021 was a very good year for Intellectual Property throughout the world and statistical indicators from national and international offices show this. Because of this, we have to be aware that our income, and therefore our capacity to finance our activities entirely depends on economic cycles and from this, responsible but ambitious realistic management is essential. We deplore the drop in the real income of PCT as far as publications, which were 1,300 fewer publications than in 2020. We think that despite the calendar effect, these should continue to increase at a good pace. We are particularly pleased with the increase of the patent applications in the Madrid System as well as new registrations and renewals. In relation to expenditure, although we appreciate the effort to increase the budget, we think it is necessary to move towards being an Organization that invests more in intellectual property, returning to levels of annual expenditure higher than 400 million CHF. The expression of our activities in the intellectual property ecosystem needs to disseminate our advantages throughout the world, and show our capacity to grow. The good financial health of WIPO shows that this is possible and we would encourage the Secretariat that in future financial years, you would get more involved and be imaginative within the limits of the program. However, we are facing complicated moments that apply to all of the activities of Member States as well as our services. We urge

the Secretariat to continue to offer quality services to diversify its deposits and risk management systems, and exercise caution with a view to the future, thank you very much.

185. Delegation of Pakistan: Thank you very much, Mr. Vice-Chair. It is a pleasure to see you again this year. Apologies for the technical issues during my earlier intervention. Mr. Vice-Chair, my Delegation takes note of the positive financial situation of the Organization. We also commend WIPO for a successful ending of COVID-19 related disruptions in 2021. Increase in IP filings during 2021 attests to continued relevance and importance of WIPO vis-a-vis innovation. My Delegation continues to hold the view that IP should not be conceded as an end in itself, it is essentially innovation and growth of science and technology that drives IP globally. Therefore, innovation should be promoted in developing countries and regions of the world, from not only a development angle, but also with a view to adapt the IP filing potential in the developing world. This would lead to an increased demand for fee-based services of WIPO ensuring sustainable financial stability of the Organization in the future. Thank you, Mr. Vice-Chair.

186. Vice-Chair: Thank you, distinguished delegate of Pakistan for your comments. The floor is open, but we see no additional requests for the floor. We are going to leave a few minutes for the Secretariat to answer, if necessary, some of the questions raised during this round of the floor. The Secretariat is asking for a few minutes to be able to prepare their replies to your questions so we are going to have a very brief break. Even briefer than the previous one. In two minutes, I would ask you to come back to your seats to continue with our work.

187. Vice-Chair: After this brief break of two minutes, we will resume the work of this Committee. I am going to give the floor to the Assistant Director General, Administration, Finance and Management Sector to answer some of the questions asked by delegations, and then the Director, Finance Division.

188. Assistant Director General, Administration, Finance and Management Sector: Thank you, distinguished delegates for your questions. I believe there were two questions from the distinguished Delegate of Algeria on behalf of the African Group. The first is on the status of recruitment on the External Office in Algeria. What I have done is asked my HR colleagues to be in touch with you bilaterally to explain the current situation and what is happening there. I hope that is satisfactory to you. Pertaining to the question on recruitment, I think the question, as I understood it, was very much focused on recruitment costs and how we have accounted for those in our accounts and our internal budgeting. I will hand, in a moment, to the Director, Finance Division if I may, to explain that a bit further. We have the discussion I think later on the agenda on the Annual HR Report as well, if we have missed questions more broadly on recruitment, I am sure there will be questions my HR colleagues will be happy to address. That is what I may suggest for that later item. With your indulgence, Chair, I will hand the floor to the Director, Finance Division, to explain a bit further on the accounting of recruitment costs.

189. Secretariat: Thank you very much, thank you for the question. The answer is rather straightforward. In accordance with IPSAS standards, we do not have to show recruitment costs separately. We are not obliged to show any sort of disclosure of these costs. Any costs we have incurred with regard to recruitment, and of the salaries of the people being recruited, are included in personnel costs. I think if you need more detail or more breakdown on those costs, then there may be more information on this in the Annual HR report, or we can provide further detail to you bilaterally. We are not obliged to provide any more information in the Financial Statements on this. Thank you.

190. Vice-Chair: Thank you both for your explanations. I understand these were questions raised by the distinguished Delegate of Algeria. Since there are no further requests for the floor, I would like to conclude the sub-item of item 11(a).

191. The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned, to approve the “Annual Financial Report and Financial Statements 2021 (document WO/PBC/34/9).

(B) Update on Investments

192. Chair: “Good afternoon, delegates, so as we had planned, we will start the afternoon with Agenda Item 11 (b), Update on Investments. As was done for the first time at the 31st PBC session in September 2020. We will now receive a presentation on the Organization’s investments from WIPO’s Investment Advisor, from MBS Capital Advice SA. The PBC is not required to take any decision on this sub-Agenda Item, now I would like to pass the floor to Assistant Director General, Administration, Finance and Management Sector, to start the proceedings, and then the floor will go to Mr. Mohammed Nadjafi, MBS Capital Advice SA. Gentlemen, you have the floor.”

193. Assistant Director General, Administration, Finance and Management Sector: “Thank you very much indeed, Mr. Chair. A very good afternoon, everyone. I will introduce this item as the Chair said, then I will hand over to our investment advisor for a more comprehensive presentation. Distinguished delegates, WIPO’s income has exceeded expenditure over the past few biennia. This surplus has allowed an accumulation of an investment asset portfolio. In this regard, WIPO’s core and strategic cash investment portfolios were implemented in February 2018, and are designed to ensure that we manage our assets in a manner that reflects the nature and future liabilities and expenditure patterns. The portfolios have been invested exclusively in assets that generate income, such as equities, bonds, and real estate. The investment assets held are diversified across asset classes, spreading risks and reducing the overall risk profile of the Organization. In this regard, the core cash investment portfolio, which targets a positive rate of return in Swiss francs over a five year period, comprises global bonds and real estate assets. The strategic cash investment portfolio is invested with the objective of achieving a return that will contribute towards achieving the desired covered ratio to WIPO’s long-term employee benefits liabilities over 20 years. This portfolio comprises the same asset classes as core cash, but with the addition of global equities. The allocation to each asset class in the portfolios has been defined in accordance with both required long-term investment return targets, and the permitted risk, as required by WIPO’s policy on investments. Mr. Chair, in order to provide an in-depth view on the portfolios, the WIPO Secretariat has asked its investment advisors to prepare a detailed update on WIPO’s investment performance for the attention of the Program and Budget Committee. Delegations following the discussions remotely are invited to consult the PDF document available on the PBC website. Before I hand the floor to our investment advisors, MBS, I want to add some further points of introduction. We invest for the medium to long-term, to match the commitments from our liabilities and future expenditures, over the projected time horizon. During this time, we expect some years our investments will do well, and other years our investments may fall. The latter is not necessarily something to worry about – I think we are unhappy about it – but it is not something to worry about, providing that over the projected time horizon we are focused on ensuring liquidity and securing the average return that we expect. Despite a positive investment return in 2021, the conditions for managing investments this year have been extremely challenging. Macroeconomic and political uncertainties in the back of a retracted COVID-19 pandemic are expected to sustain current volatility in the investment return performances. Concurrently, sustained inflationary pressures, specifically for oil and gas prices, and their effect on disposable income and consumption are likely to impact global economic growth and remain as headwinds to the future investment returns. In view of this, WIPO’s Advisory Committee on Investments, or ACI, with the support of our investment advisor, continues to monitor these investments, and works to manage the investment portfolios to achieve their long-term targets. Thank you very much, distinguished

delegates, thank you, Chair, I now hand the floor to our investment advisor, Muhammed Nadjafi from MBS Capital Advice.”

194. Investment Advisor: “Thank you very much, Mr. Chair, thank you Assistant Director General. As was highlighted a few seconds ago, things have somewhat changed in the last 12-18 months, compared to the environment that we used to be in previously. Post-pandemic, excess demand and bottlenecks could create an inflationary pressure in the economy, pushing interest rates higher, and the conflict in the Ukraine exacerbated those inflationary pressures, through pressure on commodity prices. Rising interest rates, be as it may, put pressure on all asset prices because basically in financial markets, every asset is some sort of future cash flow discount mechanism. When those future cash flows are discounted at a different interest rate, in this case higher interest rate, the prices are likely to decline. What we have seen in the past 12-14 months is that interest rates on various markets have risen from their 10 year lows to their 10 year highs in a very short period of time. That has put pressure on asset prices, as I mentioned earlier, but of course, it also offers significantly better perspectives for investors in the future. One of the main challenges faced by investors in this country has been the fact that cash is subject to negative interest rates since 2015, meaning that your cash in the bank loses its value just by being left in a bank account. That problem, which is a significant problem for all investors, is going to disappear and has already started to disappear. So while the current environment may not feel enjoyable, it is definitely rejoicing for the future investments and future return on investments and many of the problems that investors have faced in the past years have been or are being resolved. However, as a consequence of those rising interest rates, this short review of market returns that is displayed on your screen (slide “Negative returns in nearly all asset categories”), shows that pretty much every asset or every selected asset class in the world, equities, real estate, credit, bonds, everything has more or less negative return in the first five months of this year, for the previously mentioned reasons. The positive side of that news is that, as I mentioned earlier, and here you can see it in numbers, many asset classes that investors, prudent investors, invest in, which had been neutered by various zero interest rate policies across the developed world, have become profitable again for future investments. You can see on the table that is displayed (slide “Yields have moved up”), how the level of interest that investors receive from a variety of investment categories is now at the higher end of the last 10 years’ range. Those who were present here last year would remember that I highlighted the fact that many markets were subject to significant over valuation. The very low interest rate environment and the absence of alternatives had pushed asset prices to extreme levels on a variety of markets. Here (slide “Equity valuations have improved”), you have an example of the US and global equity markets, but you see that valuations had reached levels that had only been exceeded in two years in the entire history of that market. You also see that the corrections this year have removed some of that valuation risk, valuation risk which has a direct impact on, once again, future returns. On this chart last year (slide “Lower valuation has been a harbinger of strong returns”), we had highlighted that from the level of valuation equity markets to that last year, historically returns had been pretty poor. Which is what you can see on the right hand side of this chart, when valuations have been high, average future returns tend to be lower. The move this year has created better opportunities for future returns moving forward from the current level, so we have moved from all the way to the right, to where it has been circled on the chart. So, from our perspective, some of the key risks that we had highlighted at our last year's presentation have actually abated. Similarly, on the Swiss real estate investments (slide “Valuations has become more reasonable”), valuations had reached extreme levels in summer of last year. Those extreme valuations have also abated, thus reducing risk and improving profitability for the future. As I said earlier, the key driver of these changes has been the fast rising interest rates that you can see in this chart (slide “Interest rates have risen significantly”) across a variety of markets. These interest rates, albeit not high by historical standards, are very high compared to what we have experienced in the last decade, and offer certainly better opportunities to investors for the future. Those higher yields will support higher returns in the future, at least in nominal terms. Coming to the portfolios themselves, as was mentioned earlier, these portfolio strategies are anchored in very steady and stable income

generation. The main driver of the long-term returns that will be derived from these investments comes from that steady flow of income through interest, rents and dividends. We have displayed the evolution of that income, which is obviously very linear and very stable as opposed to market prices that can gyrate in very unpredictable ways (slides “Strategies anchored in stable income, Strategic Cash and Core Cash”). In the long run, the portfolio can be confident to be able to deliver the desired outcomes, thanks to that generation of income. That over time will eclipse the magnitude of market volatility. A summary of what I said earlier is on this slide (slide “Return expectations”). Basically the message is higher interest rates and lower prices and capital markets are beneficial for future investors and future investments and if investments have been prudently made in assets that generate income, that capacity to generate income has improved significantly over the last few months, and will support much better returns in the future. In contrast to what had been presented to the PBC last year, on the slide on the left-hand side (slide “Some things have changed”), you have extracts of what we had highlighted last year, and we certainly did not expect it to change as quickly as it did, but change we did expect. It so happens that from valuations that were at extreme levels, we have declined to much more attractive levels. Interest rates that were zero or negative have become significantly positive and supportive of future returns. At the same time some risks that we were not necessarily aware of have surfaced. Namely, the risk of higher inflation and maybe higher geopolitical risks that will continue to affect financial markets and probably continue to affect higher volatility in markets. Two words about the actual returns of the portfolios that are displayed on the screen right now (slide “Historical returns”); returns in the first five months of this year are around minus 6 per cent. I think it is important to focus on the fact that these are changes in prices; the capacity of these portfolios to generate income, as I said earlier, have only improved, so the cash flows that the portfolio generates today are higher than those that were generated six months ago. For all intents and purposes, we are happier with the current environment that we have been in a long time, because many of the challenges that investments posed have been resolved today through higher interest rates. We expect that these portfolios will definitely continue to deliver results that are in line with the targets that have been set for that time horizon. Thank you very much.”

195. Chair: I thank both Assistant Director General, Administration, Finance and Management Sector and the Investment Advisor for their presentations. I don't how much you understood, but it didn't make much sense to me as a person with non-financial background. I open the floor for comments by Member States.

196. Delegation of the Russian Federation: Thank you very much, Chair. As you rightly said in your comments, we hope that we understood everything but we were unable to understand everything, we were not able to do that due to a number of procedural aspects, which we would like to draw priority attention to. The Member States need to be given more time to time to read such a difficult kind of document. It is very hard to grasp. We need to have the necessary qualifications and knowledge of specializations in order to get to grips with such a document, to analyze them, to come up with comments, moreover we also need to make important decisions, as well. On the basis of the analysis that is provided, and we cannot just read a document and see it as a piece of paper with numbers and letters. So, we would like this kind of document to be published in advance, meeting all of the requirements for publication, at least two months in advance before the opening session of the PBC. The second aspect I wanted to touch upon is the need to use approved expressions in the document that are in line with the practice of the UN system, but also that are in line with international rules. I understand that for many countries in this room, international law has become some kind of distorted concept, but it does indeed exist and in the document of this Committee, we would like to see formulations used in line with international law and in line with the international assessment of events that is on the form. I now move onto the substance. The assessment of the gross inflation and the market situation as mentioned in the document and is not in line with the situation. It is not based on economic indicators, and for some reason there is no mention of the fact that this growth in inflation has led to unilateral illegal sanction measures imposed by a handful of countries,

therefore we'd like to call upon you to look at providing the information in a subjective way. That is very, very important for taking such substantive decisions within this Committee. Thank you very much, Chair.

197. Delegation of Italy: Thank you Chair. 2021 indeed was a relatively good year for investments, at least for those who were able to exploit market opportunities or volatilities. We do agree that we need more time to analyze the composition of investments with a view to the performance and also to the risks. Thank you very much.

198. Investment Advisor: Thank you very much. As there is no question, there is nothing to add. Thank you Chair.

199. Assistant Director General, Administration, Finance and Management Sector: Thank you very much indeed, Mr. Chair. First is just to recall there was no decision under this item, so I think obviously the advisor, with the Secretariat are at your disposal to discuss this further, but there is no decision to be taken today. The comments by the distinguished Delegate of the Russian Federation are very well noted. In terms of documents, we will have a look and try to find something that hits the right balance between giving you all a chance to interrogate and really look through the documents, versus putting documents up so far in advance the markets have moved so much in the intervening period, given the volatility at the moment, that the information we provided several months ago is now out of date. But the point is well taken, and we will see what we can do in that regard. Thank you Chair.

200. Delegation of the Russian Federation: Thank you very much Chair. Yes, indeed, no decisions are being taken on this document at this session with regards to this agenda item. But, we do have a question. This document has been placed on the official site of the Committee. It has been given a relevant document number, and therefore it is the document of the Committee. Can you please tell me therefore the status of this document? We would once again like to specify the fact that this document has not been presented within the established timeframe, so we did not have enough time to analyze the document in detail. Accordingly, we feel that this document is just for an informational purpose. The comments that we have made do not allow us to believe that this document is one that consensus has been achieved on. Thank you.

201. Chair: At this stage, I think we have had comments from the Member States since no decision is required by the Committee.

(C) Status of the Payment of Contributions as at May 31, 2022

202. Discussions were based on document WO/PBC/34/10.

203. Vice-Chair: "We will move onto the next item on our agenda, which is sub-item 11 (c) of our agenda. This will be followed by item 11 (b), Update on Investments, as we have to wait to this afternoon, since it requires the presence of the Investment Adviser of WIPO. Item (c) is Status of Payment of Contributions as of May 31, 2022, document WO/PBC/34/10. This document provides details of the status of the payment of contributions as at May 31, 2022, including information concerning the evolution, since 2010, of the arrears in contributions and in payments towards the Working Capital Funds. I am now going to give the floor to the Secretariat, to present this report on the payment of contributions."

204. Secretariat: "Thank you, Mr. Vice-Chair, good morning to all of you. Before I explain the document, it is a very brief explanation, I would just like to apologize for an error on page 5 of the English version of the document. The table was accidentally duplicated from the previous page, so it is not a big error, but we have the table twice and we will correct that. All other versions are fine. The status of payment of contributions, the document contains information concerning the arrears in annual contributions and in payments towards the working capital

funds as at May 31, 2022. The annexes contain information regarding the unitary contribution system and the status of contributions and working capital funds for the 2020/21 biennium. Mr. Vice-Chair, and Members of the Committee, since we prepared the document, which is dated May 31, we have received additional contributions as follows: These are from Nauru 5,698 Swiss francs, St. Vincent and the Grenadines 2,849 Swiss francs, Nicaragua 2,849 Swiss francs, Côte d'Ivoire 311 Swiss francs, Gabon 50 Swiss francs, Mali 403 Swiss francs, Niger 50 Swiss francs, Brazil 3,497 Swiss francs, Greece 51,277 Swiss francs, Argentina 89,179 Swiss francs and from Jamaica 340 Swiss francs. I thank you very much, Mr. Vice-Chair."

205. Vice-Chair: Thank you very much for these comments. After this explanation by the Secretariat on this document and the status of payments of contributions, we will open the floor if there are any requests from delegations in their own name and behalf of regional groups, the floor is open. There seems to be no requests for the floor, neither in the room nor virtually. Therefore since I see no requests for the floor, we will move on to read the decision paragraph, which you have before you on the screen. This is sub item (c) of Agenda Item 11. Annual Financial Statements, document WO/PBC/34/10.

206. Vice-Chair: I don't see any questions or comments on this Agenda Item. We will conclude then that this paragraph has been adopted by this Committee.

207. "The Program and Budget Committee (PBC) took note of the Status of the Payment of Contributions as at May 31, 2022" (document WO/PBC/34/10.)

ITEM 12 ANNUAL REPORT ON HUMAN RESOURCES

208. Discussions were based on document WO/PBC/34/INF/1.

209. Chair: I call the meeting to order. A very good morning delegates. Since Agenda Item 11(b) can be taken only in the afternoon because the Investment Advisor will only be available then, we will be now considering Agenda Item 12, Annual Report on Human Resources. This document is being submitted to the PBC in accordance with the decision taken by the PBC at its September 2012 session. No decision is required by the PBC. I would now like to pass on the floor to the Acting Director of the Human Resources Management Department to present the report.

210. Secretariat: Thank you Mr. Chair, distinguished delegates. It is my pleasure to present to you the Annual Report on Human Resources (document WO/PBC/34/INF/1). The Annual Report is presented as an informational document to the PBC and will be submitted to the WIPO Coordination Committee during the Assemblies of WIPO Member States in July 2022. This Annual Report on Human Resources covers a calendar year for the first time, i.e. the period from January 1 to December 31, 2021, which aligns to the other reports, such as the WIPO Performance Report and the External Auditor Report. As such, it also includes some of the topics reflected in the previous Annual Report, which covered the period from July 1, 2020 to June 30, 2021 (which was presented to you in September 2021). This report is supplemented by an online HR brochure, which provides a broad range of detailed workforce statistics and information on WIPO's workforce, diversity, talent sourcing, development and training as well as conflict management. Our workforce remains stable in terms of numbers and continues to be characterized by flexibility with approximately a 67.6 and 32.4 per cent proportion between core and flexible resources. The Human Resources Management Department (HRMD) was instrumental in continuing to expand support to the work-life balance of staff, as a flexible approach to working is business critical and contributes to WIPO being an attractive employer. In particular, teleworking was introduced as a new flexible working arrangement, drawing from the lessons learned during the COVID-19 pandemic, and the

parental leave entitlements were increased. Moreover, efforts were pursued to promote a respectful and harmonious workplace, with zero tolerance for harassment (notably, the policy on workplace-related conflicts and grievances was amended). A new HR Strategy was developed and submitted to the WIPO Coordination Committee in October 2021, setting the direction for the HR strategic work for the coming five years. The new strategy focuses on ensuring WIPO has the talent required to successfully deliver on its program of work; developing a more open, dynamic and collaborative organizational culture; Improving organizational performance through management of people performance; Investing in management development and taking a more strategic view on organizational learning; A 'One-Stop-Shop' service model for HRMD was announced at the end of 2021 and led to the restructuring of the Department in February 2022. However, restructuring is only the beginning of the transformation of HR. It will allow us to focus on service delivery, and integrate thematic areas, rather than functions. It will facilitate the transition of WIPO to an open, transparent and human-centered organization. HRMD will work horizontally, alongside the business as a 'partner', co-owning outcomes with other stakeholders, while also assisting business areas to adapt and transform. As part of the restructuring, the Diversity and Inclusion area is now part of Talent Management to ensure we integrate this perspective within all the functional areas. For example, while we will continue to reinforce our focus on bringing diversity through recruitment, the new organizational positioning will facilitate expanding the number and reach of internally focused activities, in areas such as data mining, workforce planning, engagement and feedback, and bias mitigation, to name a few. This approach will ensure diversity and inclusion is further mainstreamed and at the heart of our HR initiatives, approaches and practices. The Learning and Development Taskforce, led jointly by HRMD and the WIPO Academy, developed a Learning & Development Strategy and proposed a Learning framework that will be piloted in the Strategic Workforce Planning exercise in 2022. As a follow up to the review of WIPO's Performance Management and Staff Development System, HRMD will develop a new performance system in the coming two years, ensuring that performance management is more closely linked to development and other talent processes. Meanwhile, in line with one of the recommendations, a performance calibration process for P4 employees and above was introduced for the 2021 performance cycle. The calibration process sought to establish a common understanding across the Organization of the two highest evaluation ratings. On engagement, changing WIPO's culture, listening to the voice of its workforce in order to create a trust-based, dynamic and rewarding culture, is a key priority. The Voice of the Employee platform provides real-time and on-demand access to employee feedback and key improvement opportunities for all work teams. The first employee engagement survey was launched on May 9 and ended on May 29, 2022 resulting in a participation rate of 60 per cent. Next steps will include fostering team conversations across the Organization to identify the most impactful actions to increase engagement, building stronger teams and improving performance across the Organization as a whole. On audit recommendations, as of December 31, 2021, there were 34 open audit recommendations for HRMD (29 from IOD and 5 from the External Auditors) all 5 EA recommendations have now been implemented and closed; 12 IOD recommendations were considered implemented and closed (including 2 recommendations that dated back to 2018), noting that a further 3 recommendations will be requested to be closed in the near future; and out of the 8 new IOD recommendations from the Review of the Performance Management and Staff Development System, 1 has already been implemented and closed. I thank you for your attention."

211. Delegation of Germany: Thank you, Mr. Chair. I take the floor on behalf of Group B. Group B would like to thank the Secretariat for preparing the document WO/PBC/34/INF/1 and thank the Acting Director, Human Resources Management Department for her presentation just now. Group B considers the commitment to gender equality important and we are pleased that in 2021, WIPO continued to implement the UN system-wide action plan on gender equality and the empowerment of women (UN-SWAP). This is an important accountability mechanism and we note that WIPO's compliance rate remains stable at 47 per cent in 2021. We welcome the appointment of Deputy Director General, Patents and Technology Sector as WIPO's first IP and Gender champion, as well as the recruitment of Senior Adviser, IP and Gender, to promote and

increase the participation of women in the IP system. We also note there is still a way to go in organizational gender balance, and ensuring women are represented in managerial position, and in addressing a decreasing trend in female representation in certain grades. We are pleased to see a continued thorough assessment of the challenge impact and management of COVID-19, including the significant organizational realignment that includes the creation of a new sector, the IP and Innovation Ecosystems Sector. We welcome that the new flexible approach that supports the work-life balance of staff has been expanded. The new policies on parental leave are also welcome. Our Group welcomes the 11 young professionals that have been selected for the Young Experts Program, and wishes them a successful training. Overall, effective human resources are critical to achieving the mandate and objectives of the Organization. Staff and talent are the most valuable assets of the organization. Therefore, appropriate administration of human resources is critical. We encourage the Secretariat to continue its commitment to geographical diversity of its staff and improve the gender balance with recruitment based on merit and on the highest standard of efficiency, competence, and integrity. Thank you, Mr. Chair.

212. Delegation of Algeria: Thank you, Mr. Chair. Algeria is taking the floor on behalf of the African Group. The African Group would like to congratulate the Secretariat for the compilation of the annual report on human resources and the detailed presentation on key elements of the report. The Group notes the achievements made during the period covered by this report to ensure that WIPO human resources management is responsive to the rapidly changing world of work by having a competent and committed workforce capable of delivering the WIPO strategic objectives and responding effectively to Member States' needs. We note with appreciation that as of December 2021, women represented 47.9 per cent of all staff in the Professional and higher categories. However, we remain concerned about lack of adequate gender balance in terms of senior positions, including D2 and P5 levels, on which regressions have been registered. Furthermore, comparing the data issued to Member States on geographical distribution of staff by region between the year 2021 and 2022, it is clear that Africa is absolutely underrepresented. This assertion is based on a detailed observation by the Group, and as a matter of fact, the review of the above-mentioned data revealed that the already inadequate figure of 64 staff represented in Africa in 2021, has been further reduced to 58 in 2022, a trend evoking concerns in the Group. We also note that out of the 39 recruitments for fixed term positions in 2021, six were internal candidates which is likely to exacerbate the already existing gaps. In this regard, the African Group would like to inquire about the rationale behind the situation. Is it linked to a lack of external qualified candidates or rather a deliberate decision to privilege and promote staff for filling most of the job vacancies? In light of the above, Mr. Chair, there is a clear need for WIPO to improve the diversity of the workforce, including in terms of gender balance and geographic diversity and also addressing underrepresentation with staff that represents the diversity of the people it serves. Furthermore, we wish to kindly request that the Secretariat initiates a model to measure the geographical imbalance to achieve equitable geographical distribution of employment in both senior management and other categories. This may include the percentage of newly recruited regular staff from less than adequately represented nationalities. We also encourage the Secretariat to look at best experiences within the UN system in ensuring gender and geographical balance with a view to improving WIPO HR policy and recruitment procedures. The African Group wishes to propose that future presentations by the Secretariat should incorporate information on career progression and prospects for lower level staff, and we call upon the Secretariat to strengthen its outreach efforts to attract qualified candidates from underrepresented Member States. The African Group commends WIPO for introducing the HR dashboard intelligence tool to strengthen the capacities of supervisors to manage as well as monitor gender and geographical representation of the workforce. Finally, the Group extends its appreciation to the Secretariat and HR team once again for the report and looks forward to seeing the group's concerns captured and addressed in future reports, thank you.

213. Delegation of Slovakia: Thank you, Mr. Chair, the CEBS Group thanks the Secretariat for submitting the Annual Report on Human Resources. We recognize WIPO's continued implementation of the UN system-wide action plan on gender equality and the empowerment of women (UN SWAP), where WIPO met or exceeded requirements for 47 per cent of ratings in the last year. The CEBS Group welcomes setting of new gender balance targets for the biennium 2022/ 2023. Regrettably, we note the regression in representation of women in some positions, and we look forward to achieving the targets in the coming two years. Furthermore, the CEBS Group also notices the new HR strategy that is centered on seven interrelated objectives, including culture, diversity and inclusion, management of people performance, or engagement and well-being. As we understand that this strategy will be critical in achieving the vision articulated in the Medium-Term Strategic Plan, we would therefore like to encourage WIPO to follow these main objectives which should set the standards for the HR strategic work for the next few years. At the same time, the CEBS Group supports strengthening of the focal points initiative aiming at attracting diverse candidates from underrepresented regions or unrepresented Member States. We are also supportive of the newly launched Young Experts Program, which attracted already about 4,000 applicants from all over the world. In general, we attach the importance to WIPO efforts leading towards greater geographical diversity and gender balance, not only among the staff, but through the Organization and its activities. Finally, we are well aware that impact of the pandemic and of the technological developments has resulted in enabling the flexible working arrangements and establishment of new work culture in every workplace, including WIPO. We believe that a transition of WIPO to a fully open, transparent, human centered organization will continue by putting further focus on WIPO on crisis management, risk handling, redeployment of the workforce, and especially on the well-being of its employees. Thank you.

214. Delegation of India: Thank you, Chair. The Delegation of India speaking on behalf of the Asia and the Pacific Group thanks the Secretariat for the detailed Annual Report on Human Resources of the organization. The APG appreciates the Secretariat for its efforts towards maintaining gender balance, but believes that there is a lot of work still needed to be done by the Secretariat to narrow the gaps in geographical distribution in human resources. The figures for even the number of applications received for Professional and higher categories showed results skewed towards particular regions, and are not evenly distributed. I'm sure that WIPO needs more concerted efforts at outreach. The APG believes that the Secretariat needs to work out a strategic plan to correct the skewed geographical representation without which the Organization will continue to fall short of the goal of having a globally represented workforce. We are positive that the Secretariat will work towards further narrowing this gap. Thank you, Chair.

215. Delegation of China: Thank you Mr. Chairperson. The Chinese Delegation thanks the Secretariat for formulating this Annual Report on Human Resources and the update of the WIPO workforce 2021 on the official website. China commends WIPO for the positive results achieved in 2021 in the area of human resource management and for its continued efforts to improve the geographical representation and gender balance of its workforce. China believes that with the rapidly growing global demand for this Organization's international IP services, and a growing willingness from all regions and countries to cooperate with the Organization, WIPO should adopt an innovative and effective approach to its human resource strategic layout by both tapping potential professionals internally and by recruiting more outstanding talents globally. China welcomes the Organization's new human resources strategy issued last year. The implementation of this Strategy will be of great importance to guiding the next phase of WIPO's human resource endeavors. Mr. Chairperson, China is of the view that effectively enhancing this organization's agility, flexibility, and mobility to meet evolving operational needs and enhancing the competence of its staff and helping them with creative development are essential for the future of this Organization. China also congratulates WIPO on the completion at the end of last year of the first recruitments under the Young Experts Program and we wish the 11 Young Experts selected for this Program every success in their work at WIPO. Mr.

Chairperson, China is pleased to note that the Madrid and Hague systems last year achieved double digit growth in applications. However, these two systems continue to have a lack of personnel in reviewing the systems. This might affect the systems in providing timely and high quality services for their users. China therefore hopes that WIPO will take relevant measures to ensure that the Madrid and Hague systems will secure their capacity to review and examine the systems. I thank you, Chairperson.

216. Delegation of Nigeria: Thank you so much, Chairperson. Nigeria aligns with the statement delivered by the Delegation of Algeria on behalf of the African Group. As we are taking the floor for the first time, we wish to congratulate you and the Vice-Chairs on your election. This Delegation would like to extend our appreciation to the Secretariat for compiling the Annual Report on Human Resources including information on progress made towards the staffing goals and an overview of human resource-related policies, initiatives and activities of the organization. WIPO's human resources constitute the bedrock of the structure, and a key element of the Organization for the effective functioning of the body. The Delegation of Nigeria therefore attaches great importance to the effective administration of human resources, considering its relations to organizational efficiency and service orientation. It is in this connection, Mr. Chair, that my Delegation takes copious note of the gaps in the geographical representation of WIPO's staff. In light of the above, it has become pertinent for WIPO to substantially increase the number of employees from the African Group to realize ethos and principles of diversity and inclusiveness of its workforce with staff that reflect the diversity of the people it serves. Nigeria wishes to echo the request by the African Group for the Secretariat to immediately initiate a model to measure and address the geographical imbalances to achieve equitable geographical distribution in the employment of both the senior management and other categories. Nigeria appreciates the Secretariat and the human resources team for their work and looks forward to seeing the concerns raised by the Group addressed in future reports. Thank you for the floor.

217. The Delegation of Mexico: Thank you very much, Chair. We would like to thank WIPO for preparing this document, and we welcomed the progress made in human resources in particular, compliance with the system-wide plan of action on gender equality and the empowerment of women (UN SWAP) and the naming of the Deputy Director General as the IP and gender Champion. We thank them for the information on the first Disability Inclusion Strategy. We understand that inclusion is not just on physical access to establishments. Quite the contrary, it's also important to include persons with disabilities in the workplan, so to strengthen the strategy we would think a meeting with experts and persons with disabilities can be of great help for themes of inclusion and work. We deplore the fact that the consultative independent committee in the last report were not taken account of, particular paragraph 43 of the document WO/PBC 33/2, with a view to accountability and transparency it is very important for WIPO to inform us on progress made in these issues particularly into diversity and inclusiveness in the new system-wide strategy on human resources. Thank you very much.

218. Delegation of Spain: Thank you very much Chair. On this Agenda Item, we would associate ourselves with what was said by Group B. We think that it's relevant to recall that human resources of WIPO are an essential strength and essential for the development of all WIPO's activities and for the provision with services together with technical support. They are the majority of staff costs and the recruitment of qualified and motivated staff and internal redeployment of personnel is very important. For Spain, gender equality is not just another policy but rather a lever for other public policies that inform and guarantee equity and takes advantage of human talent. For this reason, we would urge the Secretariat to comply with its objectives of gender equality in the area of P5 and D2 staff. We applaud the appointment of the Deputy Director General as the Gender and IP Champion, and Spain would like to state its readiness to work with her in all activities to reach these ends as we did in 2021 and now in 2022. Paragraph 35 refers to firstly need to develop a growth mentality. We would like to know exactly what this refers to and what principles and objectives are the Secretariat going to use to

achieve it? We believe an exchange of best practices and experiences in a synergistic relationship between Member States and WIPO, and for this, we are very pleased at the new integral approach to training and staff development, including staff learning in the WIPO Academy. Spain has collaborated with the WIPO Academy, and we again state our readiness to collaborate on this initiative. We think it is particularly relevant to look at the steps to integrate persons with disabilities, so we congratulate the Secretariat for its first Disability inclusion strategy. We continue to favor agile and flexible forms of work. The trends we are observing in the labor market as a whole seem to note that to not offer flexibility in WIPO would convert us into a less attractive employer and therefore less able to recruit highly qualified talent which we need. For this, we would ask the Secretariat to make the necessary changes in organizational culture. Thank you very much for your attention.

219. Delegation of Canada: Thank you, Mr. Chair. Canada is grateful to the Secretariat for the preparation of this report, and we express support for Group B's comments. Canada urges WIPO to continue its efforts towards achieving gender balance at all levels, including managerial positions. We welcome the Organization's efforts to promote gender equality and inclusion through its new policy on parental leave. While it acknowledges WIPO's efforts in preserving and improving the health and well-being of its employees, Canada expresses concern over the results of the UNHI's Health and well-being survey shared in the report. Canada would welcome more information on how WIPO's addressing the survey's findings. Thank you.

220. Delegation of the Russian Federation: Thank you Chair. Chair, we are grateful to the Secretariat for having prepared this report on human resources, and we thank them for the presentation of it. We also welcome the work done by the Secretariat in endeavoring to ensure equitable geographical representation in this Organization. We would be grateful for clarification as to measures that management is undertaking in order to achieve the goals of equitable geographical representation. We believe that activity in that area should be continued. Further, we think that it is necessary to include in the report on human resources information about the level of representation of each country and each regional group within the Organization. Last time such information was included within a WIPO report was in 2017. This kind of data can give us a graphic illustration of the reality of the situation when it comes to equitable geographical distribution within the staff of this Organization. Despite the fact that the report under consideration gives us an overall total number of Member States represented, nonetheless there are still some things that are not clear. For instance, we are not clear as to the methodology used in selecting and presenting this data. We would also be grateful for clarification from the Secretariat on paragraph 7. This is something that relates to the geographical representation perspective, and if you look at section 2 on the document, that is WO/PBC/34/INF/1, you will see we have paragraph 7 and that is what we would ask for clarification on. In this paragraph, it states, and I am now quoting from page 3 of the English version of the document, it states "from an overall geographical representation perspective and as a result of a suite of outreach efforts, 121 Member States were represented at all levels and categories of staff, 121 Member States were represented at all levels and categories of staff, whereas 110 Member States were represented at posts subject to geographical distribution." It is not clear, what are we talking about here. What do we mean when we talk about all levels and categories of staff? What exactly are we talking about? It is not clear what is meant by this. When it comes to shortcomings of geographical distribution, how in fact has this been resolved on the basis of existing staff? In other words, without bringing on board new staff within the Organization. Further, we call upon the Secretariat to abide strictly by decisions and recommendations by the ICSC, and also relevant resolutions adopted by the UN General Assembly, thank you.

221. Delegation of the United States of America: Thank you Mr. Chair, the United States supports the statement made by Group B and the United States appreciates this informative report and we thank the Secretariat, especially the Human Resources Management Department

for its efforts to pursue WIPO's HR strategy from 2017-2021. We appreciate WIPO's continued pursuit of initiatives aimed at improving geographical representation and gender parity of the Organization. We are also encouraged by the detailed information provided on outreach to unrepresented Member States and guidelines on inclusive language. The United States also thanks the Organization for its continuous efforts to implement the WIPO Policy on Gender Equality, and the UN system-wide action plan on gender equality and the empowerment of women, and we commend progress on achieving gender parity targets at the D1 and P4 levels in particular. However, we note that women's representation decreased for D2 and P5 grades for a second biennium, which has required decreases to WIPO's gender parity targets for those grades. We would like to know if and how WIPO is working to reverse those specific trends. We welcome the creation of the new HR Data and Technology Unit and the development of the HR dashboard. From this report, it was unclear if and how WIPO is tracking completion rates of internal trainings specifically designed to sensitize the workforce, to keep policies including on whistleblower policies and sexual harassment. Can the Secretariat clarify whether this data will be included in the HR dashboard under development? Finally, we thank the Organization for its efforts to promote a respectful and harmonious workplace by removing the timeline to submit complaints of harassment, discrimination, and/or abuse of authority, consistent with the UN system policy on harassment. Thank you, Chair.

222. Delegation of South Africa: Thank you very much, Mr. Chair, we congratulate you and your Vice-Chairs on the election and thank the Secretariat for the report. My Delegation associates itself with the statement made by the Delegation of Algeria on behalf of the African Group. Some questions, Mr. Chair, regarding the termination of appointments, we note that in the report there were nine terminations, which were in the interest of the good administration of the Organization. We were wondering if there could be more information regarding those terminations, whether some of those examples were related to disciplinary issues or issues of misconduct, we would be interested to hear more on that. On the Young Experts Program, we welcome the Program and the interest that has been shown in the Program, and we have noted the high number of applications that were received. We also welcome the gender balance that has been achieved in the 11 Young Experts that have been appointed. Can we also get an indication, I am not sure if you missed it, of which regions those 11 Young Experts come from? Thank you very much.

223. Chair: I thank the distinguished Delegation of South Africa for his statement. There are no more requests for the floor. Member States have raised a number of questions, clarifications, and sought further information on a number of issues in the report. The Secretariat would like to answer those questions to provide additional information, but they need some time to draft the responses so we will take a small break of five minutes and then we will restart the meeting. Thank you.

224. Chair: So we resume our meeting. I would now like to offer the floor to you the Acting Director, Human Resource Management Department to respond to the questions and clarification sought by Member States.

225. Secretariat: Thank you Chair. I will answer a couple of questions, then with your permission I will pass the floor to my colleagues in charge of the Talent Management Service and our Gender and Diversity Specialist. Coming to the question, which is very important, about health, well-being and work-life balance, as we have indicated in the report, the mental health and well-being of our employees has always been of the utmost importance for WIPO. There was a question concerning WIPO participation in the United Nations Health Intelligence (UNHI) Health and Wellbeing Survey. For the time being, we are planning to conduct further analysis of the survey data along with UNHI and are working on a set of measures to address the findings in coming years. On the question pertaining to termination of appointments, I would like to confirm that the nine terminations were in the interest of the administration of the Organization, and with the consent of the staff members have nothing to do with misconduct. These were

situations where the staff members generally reached out to the administration because they have many years of service, or they have other health situations or family situations, and they would like to leave the Organization. It's deemed to be in the interest of the good administration of the Organization at the same time, but nothing to do with misconduct, just to confirm that. For the other questions I would like to pass to my colleague who is the Head of the Talent Management Service. Thank you.

226. Secretariat: Thank you very much for all your questions. Since there were quite a few that were around the same thematic areas, I have tried to group my answers. To refer to a number of points in relation to geographical representation, the first one was a request to adjust the geographical distribution model. You may recall that we have an existing model, the 1975 Accord, and there has been no agreement on how to revisit this agreement despite some efforts already in 2016 coordinated by the Coordination Committee. We look forward to guidance from the Member States on this specific matter. As regards the aspect of outreach and making sure that the candidate pool is less skewed towards a specific region, this is a very big challenge for us. We recognize that there was a lot of progression. We are trying different things, but we very much look forward to partnering with Member States on this. In fact, that was one of the reasons we triggered the focal point initiative after the consultations in 2016/17 with the idea that Member States are better placed to help us find the right places to outreach in country. The whole idea is to develop a network of outreach in countries. At this stage, we only have 47 countries with focal points so we would really appreciate more collaboration on this to make sure that we are able to partner with more countries and outreach locally. Maybe just to give you an example, in the context of the Young Experts Program, we tried something new. We actually used influencers in Africa, with the result that out of the 4,000 applicants for the Young Experts Program, we had 1,700 from the African region. This worked but it's not a model that can work for every competition, but we just wanted to tell you that we are very open to looking at different ways to outreach. As a result, out of the 11 Young Experts, three are from the African region, namely Zimbabwe, Zambia, and Nigeria. Thanks to the CEBS Group for the positive feedback on this focal point initiative, and hopefully look forward to having more Member States joining the initiative. On all types of diversity, whether it's geographical or gender, you have to also realize that the difficulty we have is that we are limited by the number of positions that are actually advertised in a specific year. We can't create P5 positions just for the sake of rebalancing the P5 category. This is a constraint, and in fact you may have noted that we have adjusted our targets because we want our targets to be more realistic based on the projection of the number of posts at a specific level that would be advertised in the coming year. We are also dependent on things like retirement. The numbers in the D2 grade dropped quite significantly. This is basically due to one person retiring. So just to put things a little bit into perspective, while recognizing at the same time that we have made a lot of efforts to do in that area. I would like to highlight the type of things we are doing such as using executive search firms specifically to bring women candidates to some of our vacancies. We are really trying with different types of approaches. There was mention of the proportion of internal recruitment. When we talk about internal recruitment, we talk about people that are either currently already in staff positions, fixed term, that means they were already captured through the overall geographic representation. It doesn't impact the geographical representation per se if these are internal candidates, and at the same time it is very important that we provide our colleagues with development opportunities, and I noted that there was another comment in relation to that so thank you for noting this. It's all about finding the right balance between internal development and bringing diversity from outside. But if you think about it, for a colleague who gets a promotion, that post becomes vacant, and then we can open that for potentially bringing diversity. I noted some positive feedback on the new focus on the learning and development area. We have been progressing well with the learning and development task force. As you may realize, with the restructuring of HR, the implementation of learning and development is now with the WIPO Academy so we are working hand-in-hand on this matter. There was a question from the Delegation of Spain on growth, what is a growth mindset? We emphasize that WIPO is a specialized agency. We have a lot of focus obviously on technical skills, but we realize that

there is a need to also balance with the increased focus on soft skills, especially in a context where the skills - and this is true all over the world – are changing extremely quickly. Rather than hire people only on skills, we want to hire and develop internally people with a growth mindset, meaning they will be able to adjust because the skills they need today are not the skills they will need tomorrow. It's all about being comfortable with uncertainty, being ready for change, and focusing on continuous learning as a general approach. On the question from the Delegation of the Russian Federation about data that was not in the brochure, I would like to explain, we have two key data reports. One of them is the brochure, which is more a kind of high-level perspective. The other one is the geographical distribution report that is sent twice a year to Member States. We try to avoid having the same information in the two reports, so that is the reason why you mentioned that in the past it may have been covered in the annual report. Now we are just trying to make sure that we don't overlap there but it is clearly captured in that report. There were questions about getting the information about representation, this is indeed in the geographical distribution reports sent to you twice a year. There was a question also from the Delegation of the Russian Federation regarding paragraph 7 which talks about the 121 Member States represented at all levels and categories of staff, and 110 if we look at posts subject to geographical distribution. So as part of 1975 Accord, there is a focus on geographical distribution, looking at a very specific group of posts. These are only posts at the professional and above grades. We don't include General Service posts and we do not include what we call language posts that are mainly posts like translators because obviously the role actually to a large extent determines the potential nationality in the person of the language post. That is where the difference comes from, if we are looking at the broad population of WIPO, we have 121 Member States represented, but if we only focus on the geographical distribution of posts, we are looking at 110 Member States represented. On the question from the Delegation of the United States of America regarding the data on training, we currently do not have a large amount of information on training that is easily accessible. Part of the work of the learning and development task force has been to look into this. We need to make the data available so we can bring it into the dashboard but we do follow up on completion of mandatory training, like ethics training. In the long run, as part of the learning and development taskforce, our focus is not only on completion but the impact of the training. We are looking at some measures that will allow us to look into this. Thank you very much.

227. Secretariat: Good morning everyone, and thank you for the positive feedback on the implementation of WIPO's Policy on Gender Equality and on the UN-SWAP results. Thank you also for the positive feedback on our ongoing work on the development of WIPO's Disability Inclusion Strategy. The Disability Inclusion Strategy we are working on is not focused only on the physical infrastructure, i.e. on the accessibility of premises, but looks beyond that. It aligns with the requirements of the UN System Disability Inclusion Strategy to include aspects like communication, events management, programming, policy development and recruitment, among others. In that sense, the WIPO Secretariat is aiming to prepare a comprehensive policy, with a structure similar to the one proposed by the UN-SWAP, if you are familiar with it. The Disability Inclusion Strategy has been developed in close consultation with people living with disabilities, and organizations representing people with disabilities, with the objective of preparing a document that is inclusive and can guide our work in the next four years. Thank you.

228. Secretariat: Thank you. We are of course happy to meet with delegations, we have meetings next week in particular for the Coordination Committee. We will prepare more elaborate replies to the questions we received this morning. Thank you all for the questions, I hope the replies were helpful to you, thank you very much.

229. Chair: Thank you, to the Acting Director of the Human Resources Management Department, for the additional presentations, elaborations, responses and pointed replies to questions raised by Member States. At this stage, I would like to know if there is a Member

State that would like to take the floor again. There is a request from the Delegation of Nigeria, so I pass the floor to the Delegation of Nigeria.

230. Delegation of Nigeria: Thank you very much, Chairperson, apologies for taking the floor once again. I have no intentions of dragging the proceedings in this Agenda Item, I just wanted to ask if they did not quite get the clarification from the Secretariat on the request made by the African Group, supported by Nigeria and South Africa, for the Secretariat to come up with a model of measure to address the issues of imbalances in the geographical distribution of staff in WIPO. Because for some few years, we have received the data upon details of the database and it still seems the same and for us not to come back with the same issue, we would want something a bit clearer. I don't know if it was mentioned earlier, but if you could please kindly give some more clarification, thank you so much.

231. Secretariat: Thank you very much, the Delegation of Nigeria for the question, sorry maybe part of it was a misunderstanding. If I understand properly the question, you are more referring to measures that we are taking in relation to geographical representation. I am happy to engage in further discussions, I think that we are trying to show the various streams as I said in relation to outreach, for example a focal point initiative, or in terms of recruitment, the new approach to outreach. If it is helpful, we can start discussing with you to make sure it is clear what measures are being taken to increase geographical representation. Thank you.

232. Chair: I thank the Secretariat for the response. At this stage there is no more requests for the floor. No decision is required on this Agenda Item, so we conclude this agenda item.

ITEM 13 SUPPLEMENTARY CAPITAL MASTER PLAN PROJECT

233. Discussions were based on document WO/PBC/34/11.

234. Chair: Distinguished Delegates, we now move to Agenda Item 13, which was the first Agenda Item to be considered this morning. It is entitled "Supplementary Capital Master Plan Project." The document before us in consideration is WO/PBC/34/11 entitled "Supplementary Capital Master Plan Proposal for the PCT Resilient and Secure Platform (RSP) Hybrid Phase." The Organization requires continued capital investments in the areas of premises, safety and security, and ICT initiatives to remain fit for purpose. The document presents a proposal for one Supplementary Capital Master Plan Project. I would like to now pass on the floor to the Assistant Director General, Administration, Finance and Management Sector for a presentation of the proposed project. You have the floor.

235. Assistant Director General, Administration, Finance and Management Sector: Thank you very much Mr. Chair. In 2017, the WIPO Assemblies approved Phase I of the RSP Capital Master Plan (CMP) Project, with the objective to establish a first Data Center (DC1), replacing the Primary Data Center during the biennium 2018/19. During the implementation of Phase I, the Secretariat continuously monitored ICT developments in the external environment to ensure that the technology choices foreseen for the project remained the best-of-breed and, at the same time, financially sustainable in the long term. A transition phase for the RSP Project was approved by Member States in 2021 and is currently under implementation in 2022. This transition phase allows progress on streams of work related to software transformation. To ensure a future-proof evolution of the PCT infrastructure, the Hybrid Phase of the PCT Resilient and Secure Platform (RSP) Capital Master Plan project proposes to adopt a hybrid approach. This includes securing the PCT highly confidential data within WIPO. We would continue the local management by WIPO of this set of data whilst improving security and resilience. The proposed investment into the future of the PCT system would bring the risks related to the PCT infrastructure in line with WIPO's Risk Appetite Statement and would significantly lessen the risk of a breach in the security of the PCT system. Last but not least let me take the opportunity to point out the following corrections to the document: Table 6 on page 6 should read in millions of

Swiss francs instead of in thousands of Swiss francs. "Table 5" in paragraph 16 should read "Table 6". In paragraph 19, page 7, "Table 6" and "Table 6a" should read "Table 7" and "Table 7a". Thank you very much, Chair.

236. China: Thank you Mr. Chair, colleagues, good morning. China wishes to thank the Secretariat for compiling the document and publishing it. We also wish to thank the Assistant Director General for his presentation and clarifications on relevant parts. For the past two years and more, the Secretariat has been proactive in communicating with all parties, including China, on the implementation of the resilient and secure platform hybrid phase under the cloud first strategy. China wishes to express its appreciation. Moreover, the Director General and the Secretariat have also been making efforts to find a solution for which we express our appreciation. Mr. Chair, China attaches great importance to the security of the data. As has been stressed over many sessions of the PBC, we believe that the new emerging technologies, including cloud technology, are of tremendous importance for the modernization and effective management of each UN organization including WIPO. Therefore, we welcome WIPO's use of the cloud technology in appropriate ways to enhance the effectiveness and the work of WIPO. However, as a UN specialized agency, WIPO in introducing cloud technology, should take first and foremost into account the protection of the important data of the client. And it should also take all necessary and appropriate measures to ensure the safety and security of PCT highly confidential data, including the elimination of risk to the unpublished data in PCT that may be obtained by the cloud service provider which may have commercial conflicts of. Over the past two years and more, in implementing the cloud first strategy, certain risks may have occurred in WIPO which has given rise to certain concerns and doubts on the part of major clients of the PCT system. Therefore, China's concern on data security is completely based on the need to effectively guarantee the interest of the global IP clients. It's also for the purpose to ensure that they will be able to better use WIPO's global IP services which will actually contribute to the long-term development of WIPO. China wishes to thank the Secretariat and other Member States for their understanding and support of China's viewpoint. Mr. Chair, China has thoroughly studied the PCT Resilient and Secure Platform Hybrid Phase and the draft proposal. We just now heard the Secretariat giving us an introduction of the content of the draft. We are of the view that in general that draft meets the needs and requirements for the protection of PCT highly confidential data. Therefore, China in principle can agree to the draft project as contained in WO/PBC/34/11. Mr. Chair, in view of the fact that the implementation of the Resilient and Secure Platform has an important bearing on the interests of global IP clients, it is our suggestion that during the implementation of the project, WIPO will be in a position to timely respond to the concerns for data security from the global IP clients and regularly update Member States on the progress in the area of data security. Furthermore, the data security measures should be updated and optimized alongside with the progress of technology. My Delegation hopes that my above mentioned suggestions will be reflected in the relevant paragraph of the draft decision. I thank you, Mr. Chair.

237. Delegation of Germany: Thank you Mr. Chair. I'm taking the floor on behalf of Group B. Group B would like to thank the Secretariat for its preparation of document WO/PBC/34/11 on the Supplementary Capital Master Plan Proposal for the PCT Resilient and Secure Platform Hybrid Phase. Group B appreciates the update on the status of the project and considers the proposal for the hybrid phase and its envisaged outcome as very important for the security, technological adaptability and resilience of PCT services, which are a cornerstone of WIPO's global IP services. Group B supports the approval of the funding of the proposal from the WIPO's reserves. Thank you Mr. Chair.

238. Delegation of Slovakia: Thank you, Mr. Chair. The CEBS Group would like to express its gratitude to the Secretariat for preparing the document on the Supplementary Capital Master Plan Proposal for the PCT Resilient and Secure Platform Hybrid Phase. We share the view that security and resilience of the PCT services are critical to the business operations of the PCT applicants and IP Offices. The challenges of the digital environment should be reflected also

with respect to the PCT's services, especially in order to maintain the confidence of users of the PCT services to guarantee the high level of security to improve resiliency and attract new customers. We take note of the fact that the phase for the cloud component of the RSP is temporarily suspended while the phase and other streams of work such as adoption of a hybrid approach for the evolution of the highly secure and resilient PCT infrastructure can continue progressing. Building of an appropriate communication interface between WIPO and its Member States, customers, and key stakeholders, as well as securing PCT highly confidential data within WIPO, and modernizing PCT processing workflows, should be considered crucial for ensuring well-functioning PCT services. Being aware of the increased risks, the CEBS Group supports the supplementary Capital Master Plan project, in particular the PCT RSP hybrid phase approach as outlined in the document. The CEBS Group has also noted with interest the progress and completion reports for other projects, which were under implementation or were completed in 2021 as contained in Annex XI of the WIPO Performance Report. Thank you.

239. Delegation of the Russian Federation: Thank you very much, Chair. We would like to thank the Secretariat for preparing the proposal, namely the Supplementary Capital Master Plan Proposal for the PCT Resilient and Secure Platform RSP Hybrid Phase. We underscore the significance of the project with regard to cloud infrastructure for the PCT. In addition, we note the particular importance of the projects focused on the users and improving the infrastructure of ICT technology of the international registration system. We feel that this document's approaches are focused on achieving the Strategic Goals of the Organization and enhancing the reliability of the functioning of these systems. We feel that increasing the expenditure for ICT infrastructure is vital to enhance the efficacy of their work, particularly given the virtualization of many processes and the organization of remote work. We also express gratitude to the Secretariat for the information on the potential risks of preserving the data on cloud platforms during the 34th session of the PBC. And we also welcome informal consultations with the interested countries on this matter. We feel that the main approaches for the implementation of the project should focus on cyber security, and on the security of WIPO's data. Above all, we are talking about unpublished patent applications, personal data, and information related to requests and searches. Alongside this, we insist on the regular holding of audits of the ICT system, and the services to ensure that appropriate information security is guaranteed and also to give Member States reports on those audits. We would like to thank the Secretariat for the information provided on this topic within the framework of informal consultations which looked at the use of cloud technology within WIPO and also within UNICC as well, thank you very much, Chair.

240. Delegation of Spain: Thank you, Mr. Chair. Concerning this agenda item, we associate ourselves with the statement made by the Group B representative. The Spanish delegation considers that the technological obsolescence of the applications, the accumulated technical debt, and the undeniable need increasingly to ensure the security of systems means that it is indispensable to look for technological alternatives to guarantee availability and robustness of systems made available to citizens. In Spain, we are also involved in this process of modernization, seeking viable alternatives, both on site, and also in the cloud, to give our users agile, and at the same time, completely safe services. We would be very interested in sharing knowledge and experience with others. We consider this as fundamental to inform the best possible decision, which will be crucial for the next few years. For these reasons, on the basis of the documents submitted, which gives a detailed explanation of the proposed solution, we are in favor of a hybrid approach for developing the PCT's infrastructure. In this way, we can have a balanced infrastructure, giving priority to the security of confidential information, but also bearing in mind the need to simplify and to modernize the PCT workflows. Nevertheless, the Spanish delegation requests more technical details on the architecture to be used for this hybrid platform, and also a better definition of how the simplification process would work here or in the relevant committees and working groups. Thank you very much, Mr. Chair.

241. Delegation of Algeria: Thank you, Mr. Chair. The African Group welcomes the Supplementary Capital Master Plan Proposal for the PCT Resilient and Secure Platform Hybrid Phase. We note that the hybrid approach for the evolution of the PCT infrastructure is essential to ensure continuity of services and to gain the confidence of users in a rapidly changing landscape. So we support the proposal. Thank you.

242. Assistant Director General, Administration, Finance and Management Sector: Thanks, Chair. Thank you very much to those distinguished delegations for their interventions, and for those that supported the proposal. Let me say again, I think I said it at the PBC last year, I think this proposal really does reflect the fact that this administration attaches the absolute highest importance to ensure that all Member States and indeed all of our clients have absolute full confidence in our global IP services. That includes confidence around the protection of unpublished PCT data, and part of that, as the distinguished Delegate from China set out, is ensuring that as we move forward, that we are continuously enhancing our security in line with changes in technology and in line with changes within the wider external environment. We are very happy to commit to doing that. Part of that I think, as the distinguished Delegate of the Russian Federation set out, is part of our work here and more broadly is about having proper oversight. We welcome oversight. We would be happy to work, including with our Internal Oversight Division, to ensure that as we are moving forward, they are reviewing our security arrangements and indeed therefore reporting back to Member States on that, that again is something we can very readily commit to. Thank you.

243. Chair: There is no further request for the floor at the moment. With that explanation from the Secretariat, it appears that we are ready to consider the action expected of us. I request the Secretariat to display the text. It is a short text so I can read it out for you. "The Program and Budget Committee (PBC), recommended to the Assemblies of WIPO, each as far as it is concerned, to approve, from the WIPO Reserves, the funding of the PCT RSP Hybrid Phase project, amounting to a total of 9.945 million Swiss francs." There is a request for the floor from the Russian Federation.

244. Delegation of the Russian Federation: Thank you, Mr. Chair. I also thank the Assistant Director General for the additional information he has provided following the questions we asked. In this connection, I should like to remind you that we requested to speak about a regular audit, concerning the security of information and also to submit audit reports regularly. It is our understanding that currently there is information available in this report but which we will receive only every two years. We made this proposal because in our opinion we think that this information should be received every year. From our understanding of what the Chinese Delegation said, as far as China is concerned, they would like to make the same proposal to have information given by the Assistant Director General of the Organization. The Secretariat does carry out these activities, and they would not be too expensive. We think that we could have this mentioned in the draft decision. This would only affect work which is, at any rate, already being carried out. Thank you.

245. Delegation of China: Thank you, Mr. Chair. China wishes to thank the Assistant Director General for his response, with regards to China's statement as well as his commitments. China also wishes to thank the distinguished Russian Delegation for its statement. As pointed out by the Russian Delegation, in China's statement we had made a suggestion. So if, Chair, you allow me, I wish to repeat our recommendation in English. Our recommendation is as follows: "During the implementation of the PCT RSP Hybrid Phase project in the future, WIPO would respond timely to concerns on data security raised by the global PCT users, periodically inform its Member States the progress made in the domain of data security, and continuously update and optimize its data security measures/tools in accordance with the development of technology". We wish to add that what I have read out in English would be added into the draft decision. This Delegation also stands ready to discuss constructively with all parties on the specific added content. I thank you, Mr. Chair.

246. Chair: The Secretariat would like to make a request to the Delegation of China. Would they be kind enough to send the proposed text through email so they can exactly copy it for all delegations? Would the Delegation of the Russian Federation also like to suggest any specific text reflecting the proposal that they made?

247. Delegation of the Russian Federation: Chair, we do not have a concrete text. We are not ready to present a text at this moment in time but we do agree to look at the proposal brought forward by China and we would like to ask you to put that text on the screen so that we can examine it. Thank you very much, Chair.

248. Chair: I thank the Delegation of the Russian Federation. We will certainly do so. I understood that your proposal was in reference to making available reports, once in a year audit reports. So I requested for the text in that respect. If you could provide it to the Secretariat, we could display it for all Member States' consideration. There is a request for the floor from the United States of America. You have the floor.

249. Delegation of the United States of America: Thank you Chair. The United States of America would like to request time to review the proposed text, and we would suggest that it be circulated to Regional Coordinators, and we consult and come back to this matter tomorrow. Thank you very much Chair.

250. Delegation of China: Thank you Mr. Chair. China has taken note of your suggestion, therefore, we have already shared our recommended text with the Secretariat. Relevant content will be arriving in your mailbox in a minute, and we also agree with the recommendation of distributing the content among Delegations for consideration. I will stop here, thank you Mr. Chair.

251. Chair: From the comments by the Delegation of China and the United States of America, it appears that we are not ready yet at this stage to go ahead with the consideration of the proposed text. Delegations would like to have more time to reflect on it. I request the Secretariat to put together the draft proposed by the Russian Federation and China for the text and circulate it through Group Coordinators to all Member States. We will come back to the decision later to consider it. There is a request from the Delegation of Russian Federation for an intervention. Would it concern Agenda Item 13? Please go ahead.

252. Delegation of the Russian Federation: Thank you very much Chair. Your proposal of course is one that we support. However, we would first like to see the text on the screen. We deem it important to do this now or before the end of the discussion on this point at the morning session. We deem it important also to put the text on the screen at least in English so that the Member States can get familiar with that text, and we will like to have the possibility of a short space of time, 15 minutes, no more, to have a good think about that text. In this regard, we ask you, once the text has appeared on the screen, to declare a technical break. Thank you.

253. Chair: The text proposed by the distinguished Delegation of China has not yet been received. We will therefore come back to this Agenda Item as soon as we are ready to display the text on the screen as requested by the Delegation of Russian Federation. I would like now the Committee to move to consideration of Agenda Item 18.

254. Chair: Distinguished delegates, what remains before us is the adoption of a decision on Agenda Item 13, where we need to wait for more time, as delegations had requested. And we will come back to that point as proposed by some delegations. There is a request from the distinguished Delegation of China for the floor, I would like to know whether it relates to the Agenda Item we completed.

255. Delegation of China: Thank you, Mr. Chair. Thank you for offering me the floor. My statement is in relation to Agenda Item 13, instead of the completed Agenda Item. May I proceed?

256. Chair: I thank the distinguished Delegate of China for his intervention. We have not yet completed the action on Agenda Item 13, because as I understand, there is a request for deferring the consideration to tomorrow so that the delegations would have sufficient time to consider the proposal made by you, and also the suggestion made by the Russian Federation on the floor. Does that clarify the position for you?

257. Delegation of China: Thank you, Mr. Chair. In fact, I wish to inform you that the email has been sent to the Secretariat and I hope that the Secretariat has received it. The Secretariat could distribute it or display it on the screen, we are very flexible. I wish to stress that our suggested recommendation is supposed to be added after the original text of the Secretariat, and in fact we have already seen that content is well received by the Secretariat, thank you.

258. Chair: It has been received by the Secretariat. I thank you for your intervention. Distinguished delegates, we defer the consideration of Agenda Item 13 decision point to tomorrow. We now move on to Agenda Item 17, "Preliminary Draft of the Terms of Reference of the 2021 Evaluation of WIPO External Offices." We will wait for the Deputy Director General of the Regional and National Development Sector for his presentation of the preliminary draft document. In the meanwhile there is a request for the floor from the Russian Federation.

259. Delegation of the Russian Federation: Thank you very much, Chair. We would like to recall our request that I mentioned in my statement. Chair, we would like to make a point of order here. We would like to recall the request that we made. We asked for the text of the draft decision under Agenda Item 13 on the CMP to be displayed on the screen so that countries have the possibility to read that text. We asked to discuss this matter, and some countries asked to have this matter discussed tomorrow, but our request concerned the possibility of working with the text that has been put forward. We have not yet seen this text. We very much appreciate your endeavors to swiftly get through the agenda, and we support you in that endeavor on the whole, but there is an important Agenda Item that we have before us, which we deem necessary to discuss in greater detail. Countries could have more time to discuss that Agenda Item and to consider it. We appreciate your efforts on the whole to make progress through the agenda, but we feel that nevertheless it would be a bit premature to end the discussion on Agenda Item 13. Our request to disseminate the text on this Agenda Item was made one hour ago, we have not yet seen the text on the screen, we have not been sent the text either, and therefore we would like to recall the request that we made, and would like to ask you to fulfil that request, thank you.

260. Chair: As I had said, we have not concluded the discussion on Agenda Item 13, so it is wrong to presume that the discussion has been concluded. When we resume the discussion, all the delegations will have ample time to join the discussion, make their points, and we can continue that discussion as long as it takes. As for the request to display the text on screen, the text is still being prepared by the Secretariat, and what the Secretariat has told me is that it is being circulated to Member States and Member States will have ample opportunity to take a look at the text and then come back tomorrow for the discussion on that text. With that understanding, I think I would like to proceed to the Agenda Item that I had opened for discussion under Agenda Item 17.

261. Chair: Good morning distinguished delegates. We will just start in a couple of minutes. A very good morning to the distinguished delegates. I hope you have had a good rest and you are now full of energy and enthusiasm to start. So we are convening a formal plenary, and as we had agreed yesterday, we will start with Agenda Item 13. We had to complete our action point and then move ahead with the pending agenda items. May I request the Secretariat to

display the decision, which this Committee was required to consider? And I understand from the Secretariat that this was circulated to Member States to the Group Coordinators. I hope you have received that text in advance and you have had time to look at the minor change which was proposed on the text which China had proposed yesterday. So this amended text combines the suggestions which had come from China as well as from the Russian Federation. And with your indulgence, we can move forward and close this Agenda Item. So I will give you a couple of seconds to read through the text which you are already largely aware of, and then I will seek your indulgence. May I also add for the consideration of Member States that I have checked with the Secretariat and I have been informed that the Secretariat has been undertaking the proposals mentioned in the draft decision, and that they will be in a position to continue to undertake this responsibility. There was a request for the floor from the United States of America. Madam, you have the floor.

262. Delegation of the United States of America: Thank you Mr. Chair and good morning. And thank you for giving us a few minutes to look at this text. So as you pointed out, and as we understand, the Secretariat is already doing that, what is contained in the second paragraph. So therefore we don't see the need for actually having that in a decision because the decision is all about budget approval as the document requested us to do. So we don't see the need for this text. However, we are willing to go along with this text with one textual change. And that would be in the first line after the comma, "WIPO will continue to update and optimize its data." Since they are already doing that, I think it's fair to say that they will continue doing the same. Thank you.

263. Chair: I think that is a very good textual suggestion because it clarifies the situation we have, where the Secretariat confirms that they are already doing it. Now I have a request for the floor from Delegation of China. Distinguished Delegation of China, you have the floor.

264. Delegation of China: Mr. Chair, thank you very much for the presentation of the text. Yesterday, China has had exchanges with the Secretariat on the Supplementary Proposal for the PCT RSP. As you said, we have made some modifications. Upon your suggestion, in order to increase the meeting efficiency, China has communicated with the distinguished Russian Delegation to combine both our texts yesterday. Yesterday evening, Russia submitted the proposal to the Secretariat as we have seen on the screen. This is a combined proposed text by China and Russia. In this regard, I would like to express our gratitude to the Secretariat and the Russian Delegation, we think that the protection of the PCT data of users, we have a common understanding and this text has well reflected the discussion, of course, on this basis we are open to further discuss it. Thank you.

265. Chair: May I ask the distinguished Delegate of China, please take a look at the minor, very minor, textual correction made by the distinguished Delegate of the United States and whether that minor correction is acceptable to you and then we can move forward with its adoption. I give the floor to the distinguished Delegate of China.

266. Delegation of China: Thank you, Chair. Before discussing this proposed change, I would like to seek clarification. Shall we still remain in this second paragraph in the decision? I wanted to receive clarification on this. Thank you.

267. Chair: Yes, that was my request to you. Because the amendment is in the paragraph that you have proposed and that is a minor amendment, so the paragraph will remain there and that is why we need your concurrence. Distinguished Delegation of China, you have the floor.

268. Delegation of China: Thank you very much. Probably we had just a few technical problems. After having asked my question, we would like to thank the Delegation who proposed the modification. Now we can accept the current text. Thank you.

269. Chair: Thank you so much, distinguished Delegation of China, for the cooperation. May I, at this stage, request the Delegation of the Russian Federation, before I put this to the Committee, if they can go along with the minor amendment by the US Delegation?

270. Delegation of the Russian Federation: Thank you, Chair, and we thank the Secretariat and the Delegation of China for the preparation of this joint textual proposal for the decision paragraph. We support the proposed text taking into account the amendment that has been submitted. Thank you.

271. Chair: I thank the distinguished Delegation of the Russian Federation for the comment and I now request the Committee to adopt the decision under Agenda Item 13, as is reflected in two paragraphs. May I take it that the Committee is ready to adopt this decision? I don't see any requests for the floor at this stage. There is a request from the Delegation of China to take the floor. Distinguished Delegation of China, you have the floor.

272. China: Sorry, Chair. I did not ask for the floor. It might be a technical hiccup. But taking this opportunity of having the floor, I wish to thank the Secretariat and would like to thank the Russian Delegation and the US Delegation for their cooperation in completing this Agenda Item, thank you.

273. Chair: I thank the distinguished Delegation of China. There are no more requests for the floor, so I take that the committee adopts this commission, so it is decided. I thank the distinguished delegates for the cooperation. We have completed action on Agenda Item 13.

274. The Program and Budget Committee (PBC), recommended to the Assemblies of WIPO, each as far as it is concerned, to approve, from the WIPO Reserves, the funding of the PCT RSP Hybrid Phase project, amounting to a total of 9.945 million Swiss francs.

During the implementation of the PCT RSP Hybrid Phase project, WIPO will continue to update and optimize its data security technologies in a timely fashion, including in response to any concerns raised in this context, particularly by PCT users, and will report to Member States on an annual basis through the WIPO Performance Report, including on any audits conducted thereon.

ITEM 14 REVISION OF THE FINANCIAL REGULATIONS AND RULES (FRR)

275. Discussions were based on document WO/PBC/34/12.

276. Chair: "I would like to move forward to Agenda Item 14, Revision of the Financial Regulations and Rules. The present document which is before us, WO/PBC/34/12, contains proposals for the amendments to WIPO's Financial Regulations and Rules. In accordance with the provision of Regulation 10.1, 'the Director General may propose amendments to these Regulations'. Any such amendments to these Regulations must be approved by the General Assembly. Accordingly, amendments to the Financial Regulations are proposed for approval by the General Assembly. The amendments to the Financial Rules are presented to the PBC for information. I would now like to pass on the floor to the Secretariat, for an explanation of the revisions of the Financial Regulations and Rules."

277. Secretariat: “Thank you very much, Mr. Chair, I apologize in advance, it is a slightly more lengthy presentation than our other ones which we have kept very concise, however, the extend and the comprehensive nature of the review and revision of the Financial Regulations and Rules we believe requires some explanation. To start with, the WIPO Financial Regulations and Rules (FRRs) govern the Organization’s financial management and control activities. The last comprehensive revision of the FRRs came into force in 2008, so that was some time ago, and WIPO’s business models, processes and systems have evolved and matured very significantly during that intervening period, since 2008. WIPO’s internal management and governance processes that have been strengthened include results-based management, risk management and internal control frameworks, management awareness and accountability, and of course the Enterprise Resource Planning, and the Enterprise Performance Management systems that have been established by the Organization. More recent developments have included the establishment of the Medium-Term Strategic Plan 2022-2026 and the approval, or adoption, of the Program of Work and Budget 2022/23 as well as WIPO senior leadership’s focus on an organizational cultural change that seeks to empower staff and further enhance accountability, agility and efficiency. In order to ensure that the regulatory framework reflects these developments and serves the Organization well, the enhanced FRRs ensure that: i) they reflect current business practices; ii) that they capitalize on strengthened IT systems and governance mechanisms; and iii) that they are clear, concise and fit-for-purpose. During 2021, the Secretariat undertook a very comprehensive comparative analysis and benchmarking assessment of WIPO’s FRRs against 12 other UN System entities and three other international organizations to identify areas for improvement and those that needed update. The proposed structure and amendments were developed with the support of specialized external consultants as well. The amendments detailed in the Annex to the document WO/PBC/34/12 have been proposed pursuant to Regulation 10.1 which states that: ‘The Director General may propose amendments to these Regulations, that any such amendment to these Regulations must be approved by the General Assembly.’ And Rule 110.1, which states that ‘The Financial Rules are established by the Director General, in accordance with the provisions of the Financial Regulations. The Program and Budget Committee is informed of any modification of the Financial Rules.’ In summary, the proposed changes, represent: firstly, a very clear set of FRRs that reflect current business models, that enable key business strategies represented in the Medium-Term Strategic Plan 2022-2026, and the Program of Work and Budget; secondly, support for the strategy to use data analytics – you heard our External Auditors on this topic – as part of the mainstreamed regulatory content for more effective and efficient controls so as to reduce the burden of high-volume transaction controls while minimizing risk exposure; and thirdly, an enhancement to the FRRs to address business gaps and to incorporate the Organization’s latest practices and business requirements in terms of governance, risk management and control. WIPO’s External Auditors provided input and comments on the proposed amendments, further details of which are available in their Report that they have already presented to this Committee. The IAOC further provided input and comments with details available in their report to the PBC. The inputs of both the External Auditor and the IAOC were taken into account to finalize the proposed amendments. Both entities have endorsed the proposed revisions, confirming that these will establish a very strong platform for internal controls whilst enabling current and future business needs. If approved, the revised FRRs would come into force on January 1, 2023 at the beginning of the next financial year, and after one year of operation, the Secretariat will be pleased to report back to the Member States on the implementation of the FRRs including any further refinements or adjustments that may be identified as needed. This approach was also recommended by the External Auditor and supported by the IAOC. Following informal consultations with Member States, the Secretariat would like to inform the PBC, Mr. Chair, that the following Financial Rules as contained in the Annex before you are modified as follows: These are pursuant to informal consultations, and we believe those suggestions were of a very valuable nature, so proposed Rule 103.8(a) will read ‘The Director General shall designate a High Level official in charge of Procurement to whom he or she hereby delegates authority and assigns responsibility for all WIPO procurement

activities and the implementation of the regulatory framework governing the procurement functions of the Organization, subject to the provisions of Rules 103.3, 103.4, 103.5, and 105.2, concerning encumbrances and obligations. The second proposal is to Rule 103.12, and here the Rule would read: 'All officers who are involved in procurement action must observe the Staff Regulations and Rules and the standards of conduct required of international civil servants and any other obligation. In particular, they shall be accountable for their actions, respect the confidentiality, without prejudice to employees' obligation to report waste, fraud or abuse, and integrity of the procurement process and disclose any possible conflict of interest that may arise in the course of carrying out their duties. Failure to do so may result in appropriate disciplinary action or other appropriate civil and/or criminal action.' Mr. Chair, I would like to thank the Member States who participated in all of the meetings last week to have a rich exchange with us on the Financial Regulations and Rules, and for all of their inputs, and we look forward to hearing their questions today. Thank you very much, Mr. Chair."

278. Delegation of Germany on behalf of Group B: Thank you, Mr. Chair, taking the floor on behalf of Group B. Mr. Chair, Group B would like to thank the Secretariat for the preparation of document WO/PBC/34/12 on the revision of the Financial Regulations and Rules, which are based on the internal review of the Secretariat. We note that the proposed amendment to the Financial Regulations and Rules have also been consulted with the External Auditor and the IAOC, who are in principle supporters of this initiative. Group B Member States will address the proposed amendments individually.

279. Delegation of Slovakia on behalf of CEBS Group: Thank you, Mr. Chair, the CEBS Group would like to thank the Secretariat for submitting the comprehensive document of the revision of the Financial Regulations and Rules. We have noticed that since 2008, the Organization's business models, processes, and systems have evolved and on the basis of this, the necessary changes need to be made in line with strengthening of the internal management and governance processes of WIPO. Indeed, the established Medium-Term Strategic Plan and a revised WIPO strategic framework have both required an assessment and review of Financial Regulations and Rules for undertaking of which we once again express our gratitude to the Secretariat. We take positive note that the review tries to clearly streamline the FRRs and addresses the gaps which have occurred during the development of more major business processes. We also appreciate the changes have been proposed in order to provide better understanding of the FRRs to clarify the basis and the contents of the Program of Work and Budget, and align with current practices. At the same time, we welcome that such a robust review of FRRs carried out by the WIPO Secretariat was consulted with the IAOC, the external auditor, and with the specialized external consultant and that all of them have the possibility to provide their input and proposals and express their support for the initiative of reviewing the FRRs. We have noted the proposed changes made according to the informal consultations, and we are looking forward to the discussion on this topic between Member States. Thank you.

280. Delegation of Switzerland: Thank you very much, Chair, it is the first time our delegation is taking the floor during the PBC, and therefore we would like to congratulate you and the Vice Chairs upon your respective elections. Now concerning the Agenda Item, Switzerland would like to thank the Secretariat for the work done on the revision of the FRR. Now, as for article 2.16 of the new revision, we would like the new provisions to reflect more clearly the need to involve Member States in the preparation of the Program of Budget. We suggest that this article makes reference to the mechanisms approved by the Member States in 2008, in the relevant document PBC/13/7. At the same time, we recognize that this document is from 2008 and is no longer up-to-date, it makes references to an informal PBC session that no longer exists. Consequently, we ask the Secretariat to update that document that I previously referred to, PBC/13/7, in keeping with established practice. Thank you very much, Chair.

281. Delegation of Spain: Thank you very much indeed, Chair. Spain wishes to thank the Secretariat for their efforts in allowing for this revision of the Financial Regulations and Rules,

that we understand is an attempt to modernize and update the applicable Regulations and Rules to a Program and Budget activities. Spain agrees with Switzerland on article 2.16, the former 2.2. We also agree that the new Regulations and Rules should reflect very clearly respect for the mechanism adopted to promote a better participation of Member States in the preparation of the Program and Budget at WIPO can only be amended with the agreement of Member States themselves. We support Switzerland in ensuring that the mechanism is in place with the agreement of Member States, and we encourage the Secretariat to present an update to the Committee. Finally, Spain wishes to request an amendment of article 2.20 in the new version, that is former 2.6, establishing a temporary limit as a guarantee for Member States as to the deadline for receiving the Proposed Program and Budget for the forthcoming cycle for them to consider and come up with comments and recommendations, and including possible modifications or amendments. Thank you.

282. Delegation of the Russian Federation: Thank you, Chair. We would like to thank the Secretariat for the work they have done in the comprehensive revision of the FRR which were undertaken for the last time in 2008. We appreciate the efforts of the Secretariat to improve the standards aimed at enhancing the efficacy and transparency of the budget process, enhancing accountability and results-based management, including when it comes to personal responsibility for observing established regimes. The rules on procurement, the requirements for financial documents, guaranteeing a long-term liabilities and other aspects. We would be grateful if we could have information at the next session of the Committee on the update of the procurement guidelines. We should also like to point out about the term 'sustainable' in one of the regulations on the general procedures for procurement. In our view, this formulation is not clear enough, and it may become a basis for arbitrary decision-making with regard to suppliers. As far as we know, the Financial Regulations of the UN, which the Secretariat of WIPO is based on, it must be referred to when they make procurements. The term sustainable is not used when it comes to procurements. In this regard, we deem it wise that by the next session of the Committee, the Secretariat will come up with a relevant report which in detail outlines the main benefits and potential minuses of the introduction of so-called sustainable procurement. This could also be included in the report and internal control as well. On the whole we have no opposition to the proposed revisions, which make the provisions of the document more clear, which establishes a link between the program and budget with the Medium-Term Strategic Plan. We would be grateful for clarification on Rule 101.4 on establishing the application of simplified procedures. What practice is being used now? The previous speaker also mentioned the lack of clarity with regard to 2.16, so we would like to ask clarification on that Regulation, 2.16. In the new revision it is proposed that Member States take part in the composition of the Program and Budget, according with the procedures agreed on the basis of consultations with Member States. In our view, this revision, this wording is not entirely clear. The current wording contains references to mechanisms adopted to this end. The current practice suggests that Member States should be involved in this process. The Program and Budget should be based on that. Which is examined by the Committee and also by the General Assembly. The new wording can be read as a proposal to agree new algorithms on the basis of consultations. We would like to ask for clarification on what is meant by that exactly. In addition, we would be grateful for clarification with regard to the new Regulation 3.9 on the competencies of the Director General in providing subsidies to partners and other Organizations in the public and private sector. We would like to have examples of which subsidies we are talking about, here and what projects we are talking about, here. We would also like information on the volume of the subsidies as well. Thank you very much, Chair.

283. Delegation of the United States of America: Thank very much you, Chair. The United States thanks to Secretariat for the preparation of this document, and the United States would like to support the statements made by the delegations of Switzerland and Spain. Thank you very much, Chair.

284. Delegation of the United Arab Emirates: Thank you Mr. Chair. The UAE would like to thank the Secretariat for preparing the document PBC/34/12 and its Annex and for the active engagement. We also welcome the new revision of the FRRs as stated in our opening statement. We would like to support the request made by the Delegations of Switzerland and Spain in Regulations 2.16 and 2.20. In view of that, and in relation to the regulation new numbering 4.4, regarding the performance reports, on page 88 and 89 of the Annex, this Delegation requests to keep the reference to the mechanism agreed by Member States in the first paragraph, taking into account the points made by Switzerland for Regulation 2.16, considering the updates of the adopted mechanism of 2008 contained in document PBC/13/7 to also reflect the current practices of the MTSP and the revised FRRs. Thank you Mr. Chair.

285. Delegation of Algeria on behalf of the Africa Group: Thank you very much. The Algeria Delegation has the honor of making this statement on behalf of the African Group. The African Group thanks the Secretariat of WIPO for presenting the proposed revision of the FRR set forth in the document WO/PBC/34/12. The Group underscores the importance of updating and modernizing the Financial Rules of WIPO in keeping with international accounting standards for the public sector, IPSAS, and to bolster the function of the internal audit and the risk management system which must constitute an integral part of the FRR. The Africa Group notes that the delegation of authority of the Director General to the civil servants must be backed up by a clearly defined system of responsibilities. In this regard it is important to determine the responsibilities before the delegation of powers and competencies is established, and for this we need to have clear criteria. In this regard, the African Group notes with satisfaction that the responsibility framework on the accountability obligations set forth in Regulation 102.2 have been bolstered in the MTSP. We are also satisfied the principle of responsibility has been added and bolstered in the relevant regulation. We positively assess the main tenants of the reference to the responsibility of the High Level official in charge of Procurement of WIPO in the application of the regulatory framework governing the functions of procurement as reflected in the new Regulation 103.8(a). As for the areas linked to transparency, the FRR must be backed up with guidelines to strengthen the requirements, in terms of transparency, thanks to making available and comprehensible way reliable information and updated information on conditions, decisions and actions in connection with the execution of management activities in different levels of responsibility. This requires the adoption of clear and concise rules in order to avoid any misinterpretation of the text and any overlap of competencies. This could lead to a bottleneck in decision processes. In this regard we also need to have effective mechanisms guaranteeing respect for such rules, such as the partial specifications, objective evaluation criteria, documents and similar information for the parties and the confidentiality of offers. As for the amendment to Regulation 2.16, regarding the involvement of Member States, we feel that WIPO must update the mechanism established to this end. The Group would like to positively assess the fact that the Secretariat has taken into account the comments made by the Member States to preserve reference to the mechanism. We think that the original formulation should be retained. We look forward to the evaluation which will made and allow us to better assess the impact of these changes on the governance of WIPO. Thank you very much, Chair.

286. Secretariat: Thank you very much, Mr. Chair, and thank you very much to all of the delegations, again as I mentioned, for the earlier engagement last week and all your support for the revision of the Financial Regulation and Rules, which forms very much the foundation of internal governance and control. So we have heard very carefully of course all of the comments, and I think mainly, Mr. Chair, the comments relate to the new Regulations 2.16, 2.20, and 4.4. So with respect to 2.16 and 4.4, I think the clear request from the Member States is to reinstate prior language which reflects the reference to the adopted mechanism. The only intention of the Secretariat to make this change was really to move away from an outdated mechanism and to make that more general, that at any time, whatever approved mechanism is in force, that would be followed. However, we understand very well the observations and the concerns of the Member States, and we will reinstate that original language and put back the reference to the mechanism adopted. We thank the Russian Federation for their comments and

overall support for the FRR and we note their request for reporting back, and we will be reporting back on the manner in which these new Financial Regulations and Rules will play out and our experience with it so will incorporate your requests in any feedback that comes to the PBC. The Russian Federation also had a more specific question I believe on Regulation 3.9 related to partnerships. And again, in terms of the volume and specifics, I don't have the details now because this is a proposal. The reason to include partnerships is that partnerships are a very standard way of operating within the UN system and WIPO's Financial Regulations and Rules had an obvious gap, we did not have any regulation or regulatory framework content related to partnerships. The scale and ambition of the work encompassed in the MTSP and in Programs of Work and Budget adopted by you last year, and in future years, will represent the need for using partnerships, like other UN agencies. So we did a study of how other agencies have actually dealt with partnerships, there was a lot of experience within the UN, and we have brought in the key elements of partnerships into this regulation, so that is really the reason, because there was a gap, and once again, this would be a new area of operation and modality of work in WIPO. We will again take the opportunity to feedback to you as a result of our return on experience which we will provide to a later PBC session. I want to address first the question raised by the Russian Federation, related to the application of simplified procedures. In fact, the Controller right now does have the authority to apply simplified procedures. What we added to that rule was the consideration for risk, which was not mentioned before. Otherwise, it is still retaining the authority that was already there. Mostly it applies to setting financial thresholds for materiality, and that is normal practice for any Chief Financial Officer of an Organization to set up that. I just want to make one additional comment on sustainability. Our reference point was actually a JIU report that was produced, related to these matters, where they have encouraged UN Organizations to consider sustainability as they come up with their procurement policies. So that is the reference point. Understandably, the UN might not have yet updated the Financial Regulations and Rules, but I am expecting that the discussions proceed in implementing these JIU recommendations, they will also update their rules. Similarly, the partnership one is also one that the JIU has extensively commented on. There is actually a report out there with several recommendations, including strengthening the regulatory framework around working with partners. And of course, as Member States may be aware, this all comes from the Addis Ababa Agenda where Member States actually agreed that it was an area that needed to be strengthened. We consider it quite important, especially working as a UNSDG member, that we are aligned with other members in this area and provide a strong framework to manage partners that we work with. Thank you.

287. Chair: I thank the Secretariat for the additional information and clarifications they have provided. It appears that we need some time to revise the decision which I propose to the committee for its adoption. Therefore, we will have a technical break of 10 minutes and resume the meeting after 10 minutes to complete the action on the decision item.

288. Chair: We are still on Agenda Item 14. And we move on to the action to be taken over by the Program and Budget Committee. It will be displayed on the screen. In the meanwhile, there was a request for the floor from Russian Federation. Madam, you have the floor.

289. Delegation of the Russian Federation: Thank you very much, Chair. We also thank the Secretariat for providing clarification, and also for the Member States' opinions we heard with regards to Regulation 2.16. Sadly, our Delegation is not able to adopt the amendment to the FRR that are set forth in the relevant document, which are contained in the relevant part of the Financial Regulations with regard to the participation of Member States in the procurement processes. The draft amendment can only be adopted if we correct the wording. In addition, we deem it wise to present for the consideration of Member States a future document on the principles of resilience and sustainability. We would also be grateful for an assessment on the feasibility of such an initiative, and also the principles that are behind such an initiative. What practice are being used in the International Organizations and what are the potential consequences of doing so? In addition, we'd like to thank the Secretariat for providing

clarification on Regulation 3.9. We would like to ask the Secretariat once again, could you provide any concrete examples of the subsidies? Could you provide at least one example of such subsidies? These subsidies that can be provided to partners and Organizations in the public and private sector in accord with the Regulation 3.9. Thank you very much, Chair.

290. Secretariat: So thank you very much to the Russian Federation. Coming back to partnerships, a potential example, again this is not obviously in force yet, so we don't have information, concrete information, but a potential example is partnering with another UN agency. This could be, again it's hypothetical what I'm saying, maybe UN Women for gender-related activities. So, those are the sort of examples that we would envisage. Coming back, Mr. Chair, I would like to seek clarification on the procurement point that was raised by the Russian Federation. So which specific regulation or rule are you referring to on this matter? Thank you very much.

291. Delegation of the Russian Federation: Thank you very much Chair. I would also like to thank the Secretariat for providing an example. With regard to procurement, we are talking about Regulation 3.8. Thank you very much.

292. Secretariat: Once again, in respect of the Delegation of the Russian Federation's point, I think Regulation 3.8 is what you are referring to, and do we understand correctly that your concern is around the introduction of the word 'sustainability'? They are nodding, yes, thank you. As was explained, I think this is motivated by two sets of oversight bodies. First of all, the JIU has recommended this, as well as our IAOC have encouraged it, in fact, they were encouraging a regulation in terms of Environmental Social and Governance reporting, which is something we are working in collaboration with other UN agencies and are not ready to include yet because we would like to follow common approach. But this is really based on what the whole UN system is doing, and the recommendations of the JIU and IAOC, so with those explanations, would it be possible, Mr. Chair, for the Russian Federation to allow the retention of the word 'sustainability' in Regulation 3.8? Thank you.

293. Delegation of the Russian Federation: Thank you very much, Chair, and thank you to the Secretariat for providing clarification on this issue. Sadly, we are not ready to adopt Regulation 3.8 if we see the word there, 'sustainability'. We would like to suggest text to include in the decision, we would like to suggest the following text. I will speak in English. "The decision on Regulation 3.8, to be discussed after the Director General presents a comprehensive assessment report on the issue". Thank you very much, Chair.

294. Chair: As suggested by the Secretariat, will bring back the document on which the Program and Budget Committee was to consider, and we will try to produce the language proposed by the Russian Federation, for the consideration of the Member States. Would like to request the delegation of Russian Federation to read the language at a slow pace, so the Secretariat can insert it in.

295. Delegation of the Russian Federation: Thank you very much, Chair. Thank you for giving me the floor once again. We are suggesting not just the inclusion of that wording in the draft decision which I have just read out, but also we are suggesting the deletion of the word 'sustainability' from Regulation 3.8. Only then, we will be able to support the document. Thank you, Chair.

296. Chair: If there are no more requests for the floor, we have placed on the screen the document that the Committee needs to look into. We have in subparagraph 1 "the Program and Budget Committee recommended to the WIPO General Assembly: to approve the proposed amendments to the Financial Regulations as contained in the Annex to the present document, WO/PBC/34/12, revised by the PBC as follows." There are three revisions proposed, in respect of Regulation 2.16, Regulation 2.20, and Regulation 4.4. There is a proposal to delete the word

'sustainability' from Regulation 3.8, subparagraph 5. I would like you to have enough time to be able to read the document. (Text displayed on the screen):

The Program and Budget Committee (PBC):

- (i) recommended to the WIPO General Assembly to approve the proposed amendments to the Financial Regulations as contained in the Annex to the present document WO/PBC/34/12 revised by the PBC as follows:
1. Proposed Regulation 2.16: "The involvement of Member States in the preparation of the proposed Program of Work and Budget for the next budget period shall be in accordance with the mechanism adopted by Member States".
 2. Proposed Regulation 2.20: "The Director General shall submit the proposed Program of Work and Budget for the following budget period to the Program and Budget Committee for discussion, comments and recommendations, including possible amendments within a reasonable timeframe for consideration by the PBC".
 3. Proposed Regulation 4.4: The Director General shall prepare a report on the achievement of the Expected Results and the financial performance based on the Program of Work and Budget in accordance with the mechanism adopted by Member States.

After the first year of the biennium, reporting shall include progress made towards the achievement of the Expected Results and budget utilization.

After the second year of the biennium reporting shall include the achievement of the Expected Results and financial information on the same accounting basis as the approved budget:

- (a) Actual income for the budget period;
- (b) Approved budget, budget after transfers in accordance with Regulation 3.4 and actual expenditure for the Organization and the Unions:
 - i. Any expenditure which is incurred in the exclusive interest of a given Union shall be considered as a "direct expense" of that Union.
 - ii. Any expenditure which cannot be attributed to the Unions, such as administration and management related costs, shall be considered as an "indirect expense" of that Union.
- (c) Changes arising from flexibility adjustments under Regulation 3.5;
- (d) The reporting shall provide a clear distinction between direct and indirect expenses.

The Director General shall also give such other information as may be appropriate.

4. Proposed Regulation 3.8 (b) (v): delete "sustainability"
- (ii) took note of the amendments to the Financial Rules as contained in the Annex to the present document WO/PBC/34/12 modified as follows:
- Proposed Rule 103.8(a): The Director General shall designate a High Level Official in charge of Procurement (hereinafter "HLOP") to whom he or she hereby delegates authority and assigns responsibility for all WIPO

procurement activities and the implementation of the regulatory framework governing the procurement functions of the Organization, subject to the provisions of Rules 103.3, 103.4, 103.5 and 105.2, concerning encumbrances and obligations.

- Proposed Rule 103.12: All officers who are involved in procurement action must observe the Staff Regulations and Rules and the standards of conduct required of international civil servants and any other obligation. In particular, they shall be accountable for their actions, respect the confidentiality, (without prejudice to employees' obligation to report waste, fraud or abuse), and integrity of the procurement process and disclose any possible conflict of interest that may arise in the course of carrying out their duties. Failure to do so may result in appropriate disciplinary action or other appropriate civil and/or criminal action.
- (iii) Requested the Secretariat to update the New Mechanism to further involve Member States in the Preparation and Follow-up of the Program and Budget (document WO/PBC/10/2) to reflect current practice and the Revised Financial Regulations and Rules for consideration at the 35th session of the PBC.
- (iv) decided that Regulation 3.8 be discussed after the Director General represents a comprehensiveness assessment report on this issue.

297. Delegation of the United States of America: Thank you, Mr. Chair. Would it be possible to circulate this decision considering its length and complexity to Member States, so we can review it thoroughly? And come back to that at a later stage. Either today or tomorrow, thank you.

298. Delegation of the Russian Federation: Thank you very much, Chair and thank you for including the text in the document, the only thing is that we do not see any reflection in the text of the decision, the comments made about the report. OK, I can see it now, brilliant. So thank you. And we will be happy to read that document in all of the six UN languages. Yes we understand that the Member States need a bit of time to read the document in full. Given that it is a rather lengthy document. Thank you very much Chair.

299. Chair: Based on the proposal by the United States, seconded by the Russian Federation, at this stage we will not go ahead with consideration of this document. I would request the Secretariat to circulate this document to the Member States for the detailed examination. And once you indicate that you are ready to come back, we will come back to decision item. Thank you.

300. Chair: Very good morning, distinguished delegates. Sorry for the delay in starting the plenary. Some informal consultations were taking place. As we had agreed yesterday, we will start with Agenda Item 14, and complete the consideration of the Committee. The decision that it was required to take, it was displayed before you yesterday evening. I understand the Secretariat has also circulated the proposed decision to you. During the evening and in the night, you must have taken a close look at what was proposed. So, I would like to move forward and request the Committee to consider the revision of the Financial Regulations and Rules and adopt the decision as contained in subparagraph 1, 2, and 3.

301. Delegation of the United Kingdom: Thank you very much, Chair. Good morning to all and good day around the globe. Thanks very much for the drafting. This Delegation understands that while it is not seen on the screen, there is point 4 of sub item 1 which simply suggests the deletion of the word sustainability in Regulation 3.8. This Delegation's understanding that the concern with that word, 'sustainability', is its vagueness, could I ask the Secretariat to elaborate

on two elements. One, how was the Secretariat guided when adding this word? Or proposing to add this word to Regulation 3.8? And a second, considering the concern of the Delegation with its vagueness, how would the Secretariat be guided in delivering upon that word when it comes to procurement practices? Thank you very much.

302. Secretariat: Good morning to all and thank you Mr. Chair. So, the sustainability consideration, are of course fully addressed in the UN guide for procurement, and several other UN agencies have this as part of their procurement manuals and guidance. So we would be very much guided by those guiding documents in applying the principles of sustainability. Thank you.

303. Chair: With that explanation, may I take it that the Committee is ready to go ahead with the decision as proposed?

304. Delegation of the United Kingdom: Thank you, Chair and thanks to the Secretariat. Would it then be possible to decide without the sub-item 4, and keep the word sustainability, also having in mind that Romanito iv of this decision talks about the overall discussion of Regulation 3.8 at a later stage, so it would be possible to further discuss this Regulation 3.8. That is my understanding so we would suggest to go ahead with the decision as is, except for sub item 4 in Romanito i. Thank you very much.

305. Chair: Since the suggestion of the deletion of the word came from the Delegation of the Russian Federation, in light of the explanation provided by the Secretariat and also this proposal made by the United Kingdom, would Russian Federation like to respond?

306. Delegation of the Russian Federation: Thank you very much Chair. If we have understood correctly, and please correct us if we've misunderstood this, we are talking about the deletion of 4 in the text, with regard to the sustainability of procurement. Moreover, we have got the last paragraph still here in the text where we talk about Regulation 3.8 being discussed after the Director General presents a comprehensive report. Have I understood you correctly, Chair? And so we would like to keep the last paragraph.

307. Delegation of the United States of America: Thank you very much, Chair. Our intervention actually pertains to that last paragraph, and we would like to seek clarity regarding the nature of the comprehensiveness assessment report, in particular regarding what specific issue is intended to be addressed there. Thank you very much, Chair.

308. Chair: I feel there is need for informal consultations on this matter because of the different views among the delegations. So, we can take a small break and try to find a solution which would be acceptable to all the concerned delegations. So that we can close Agenda Item 14 by adopting the decision proposed. We will have a 10 minute break.

309. Chair: I have consulted the interested delegations, and it appears that we have the possibility to move forward. So the decision to be considered by the PBC has been further amended. And the revision is being put forward. Under decision 1, paragraph 4, which read proposed Regulation 3.8 (b) - we delete 'sustainability'. That proposal has now been deleted. The last subparagraph four will be retained with an amendment, "decided that 'sustainability' within Regulation 3.8 will be discussed". And we have provided a specific timeframe "for a competitive assessment report by the Director General to be submitted at the 35th session of the PBC". With these changes, I understand that all of the concerned delegations are prepared to move forward. May I therefore take it that the Committee as a whole, all the members of the Committee, are ready to move forward with the decision as on the screen, which you have seen at length, and accept the changes that we made just now. I would like to presume so, therefore I am going to take it as adopted. Thank you so much, delegates, for your flexibility.

310. The Program and Budget Committee (PBC):

(i) recommended to the WIPO General Assembly to approve the proposed amendments to the Financial Regulations as contained in the Annex to the present document WO/PBC/34/12 revised by the PBC as follows:

1. Proposed Regulation 2.16: “The involvement of Member States in the preparation of the proposed Program of Work and Budget for the next budget period shall be in accordance with the mechanism adopted by Member States”.

2. Proposed Regulation 2.20: “The Director General shall submit the proposed Program of Work and Budget for the following budget period to the Program and Budget Committee for discussion, comments and recommendations, including possible amendments within a reasonable timeframe for consideration by the PBC”.

3. Proposed Regulation 4.4: The Director General shall prepare a report on the achievement of the Expected Results and the financial performance based on the Program of Work and Budget in accordance with the mechanism adopted by Member States.

After the first year of the biennium, reporting shall include progress made towards the achievement of the Expected Results and budget utilization.

After the second year of the biennium reporting shall include the achievement of the Expected Results and financial information on the same accounting basis as the approved budget:

(a) Actual income for the budget period;

(b) Approved budget, budget after transfers in accordance with Regulation 3.4 and actual expenditure for the Organization and the Unions:

- i. Any expenditure which is incurred in the exclusive interest of a given Union shall be considered as a “direct expense” of that Union.
- ii. Any expenditure which cannot be attributed to the Unions, such as administration and management related costs, shall be considered as an “indirect expense” of that Union.

(c) Changes arising from flexibility adjustments under Regulation 3.5;

(d) The reporting shall provide a clear distinction between direct and indirect expenses.

The Director General shall also give such other information as may be appropriate.

(ii) took note of the amendments to the Financial Rules as contained in the Annex to the present document WO/PBC/34/12 modified as follows:

- Proposed Rule 103.8(a): The Director General shall designate a High Level Official in charge of Procurement (hereinafter "HLOP") to whom he or she hereby delegates authority and assigns responsibility for all WIPO procurement activities and the implementation of the regulatory framework governing the procurement functions of the Organization, subject to the provisions of Rules 103.3, 103.4, 103.5 and 105.2, concerning encumbrances and obligations.

- Proposed Rule 103.12: All officers who are involved in procurement action must observe the Staff Regulations and Rules and the standards of conduct required of international civil servants and any other obligation. In particular, they shall be accountable for their actions, respect the confidentiality, (without prejudice to employees' obligation to report waste, fraud or abuse), and integrity of the procurement process and disclose any possible conflict of interest that may arise in the course of carrying out their duties. Failure to do so may result in appropriate disciplinary action or other appropriate civil and/or criminal action.

(iii) Requested the Secretariat to update the New Mechanism to further involve Member States in the Preparation and Follow-up of the Program and Budget (document WO/PBC/10/2) to reflect current practice and the Revised Financial Regulations and Rules for consideration at the 35th session of the PBC.

(iv) decided that sustainability within Regulation 3.8 be discussed after the Director General presents a comprehensive assessment report on this issue at the 35th PBC session.

ITEM 15 WIPO RISK APPETITE STATEMENT

311. Discussions were based on document WO/PBC/34/13.

312. Chair: "We will now move to Agenda Item 15, concerning WIPO's Risk Appetite Statement. The document which has been presented under this Agenda Item is document WO/PBC/34/13. This document is an update to the Risk Appetite Statement presented at the 29th session of the PBC in 2019."

Secretariat: "Thank you very much Mr. Chair. The Organization presented its first Risk Appetite Statement to the Member States at the PBC in 2014 and an updated Statement in 2019. Those two Statements focused primarily on the management and control environment and processes of the Organization. Today, WIPO is a far more mature organization with a maturity level between "established" and "advanced" on most aspects of risk management when benchmarked against the UN's High-Level Committee on Management Reference Maturity Model for Risk Management. WIPO now seeks to continue strengthening its risk culture across the Organization. The establishment of a Statement that focuses on the achievement of Expected Results, and one that is well understood by our managers and staff would go a long way towards increasing risk awareness and strengthening the risk culture of the Organization. Aligning an organization's statement to its strategy is a best practice referenced in the HLCM Guidelines on Risk Appetite Statements and in the COSO Framework. The present Statement is structured by the Medium-Term Strategic Plan's four strategic pillars and the foundation. It defines the appetite for risk in pursuit of each Expected Result, providing concrete examples to demonstrate how the appetite translates into practice. WIPO aims to actively manage its risk profile through the operation of effective controls, the implementation of risk response plans in line with the Risk Appetite Statement, and with appropriate escalation and accountability. Through this process, assurance mechanisms safeguard the Organization and increase effectiveness, thereby enhancing overall Organizational performance. This Statement is intended to guide the Organization for the period of the MTSP 2022 - 2026. The Statement has had the benefit of the input from the IAOC, from the External Auditors and from the Internal Oversight Division. I would like to thank all of our oversight entities for the engagement on this topic, and in particular a special word of thanks to the IAOC who strongly encouraged the Secretariat to undertake this exercise of revising the Risk Appetite Statement in line with the new Medium-Term Strategic Plan. I thank you, Mr. Chair."

313. Delegation of Germany: Thank you Mr. Chair. Group B would like to thank the Secretariat for the preparation of this Risk Appetite Statement contained in document WO/PBC/34/13. Group B notes that the document highlights the increased maturity level of WIPO's risk management and the need to further strengthen the risk culture of the Organization. Group B welcomes the updated Risk Appetite Statement as an important improvement in terms of clarity and depth over the previous version updated in May 2019. Thank you Mr. Chair.

314. Delegation of Slovakia: Thank you. Mr. Chair, the CEBS Group would like to thank the Secretariat for the preparation of the document WO/PBC/34/13. We are grateful for the comprehensive Risk Appetite Statement, structured according to four strategic pillars and defining the appetite in pursuit of each Expected Result, including the useful examples which demonstrate how the appetite translates in practice. We welcome that WIPO seeks to strengthen the risk culture of the Organization and that this approach has been supported by the IAOC and also the Internal Oversight Division. Moreover, the CEBS Group takes positive note that the Risk Appetite Statement will serve as a basic limit for the implementation of the Medium-Term Strategic Plan. We note with satisfaction that the prudent attitude regarding risk appetite across the four pillars and foundation identified in the Statement accords with the context of the Medium-Term Strategic Plan. Assessment of the level of risks within various areas pointed out in the Statement is a relevant indicator, and on this basis we would prefer a careful approach to those areas where the high risk potential has been identified. Thank you.

315. Delegation of the Russian Federation: Thank you very much, Chair. We would like to thank the Secretariat for presenting the document on the Risk Appetite Statement contained in WO/PBC/34/13. We note that the culture of accountability in risk management in WIPO is one of the best in the UN system, and proof of this can be seen in the conclusions of the External Auditor on this topic. We are convinced that this instrument is useful for the Secretariat which has good guidance on use of it, and also for the Member States as well. For whom there is greater transparency and predictability when it comes to the activities of the Organization. We

call upon the Secretariat to not stop there, to not rest on their laurels, and to ensure that there is a further degree of maturity when it comes to risks. In accordance with the classification of the coordinating committee of the Organizations of the UN system we feel that the Risk Appetite Statement should continue to be put forward for the consideration of Member States on a regular basis. Thank you.

Delegation of the United States of America: Thank you, Chair. The United States supports the Statement made by Group B and thanks the Secretariat for the report. We appreciate the Medium-Term Strategic Plan, identifies a low risk appetite for critical services, including ethics, protection of information, internal controls and oversight. These critical services have far-reaching implications for the overall performance of the Organization. The establishment, sensitization, maintenance, and implementation of policies and procedures relating to discrimination and harassment are essential to creating respectful workplaces. Data privacy related to reporting mechanisms for fraud and misconduct are essential to staff confidence in the implementation of whistleblower protections. Fidelity to implement internal controls, including the separation of financial duties, is critical to identifying fraudulent activity. However, we note that the Organization's zero tolerance policy for wrongdoing and misconduct primarily highlight prevention and reporting. In addition to these components we emphasize that accountability is critical and should be equally considered. Failure to implement timely and consistent disciplinary procedures and response to misconduct undermines the aforementioned critical services that may negatively affect the Organization's performance, culture and reputation. Thank you, Chair.

316. Secretariat: Thank you very much, Mr. Chair, and thank you to all of the Member States and delegations who took the floor. Indeed, we take very careful note of the comments, including those of the United States, and this prudent approach is very strongly enshrined in our risk profile and our risk management processes. We have a very strong internal governance for risk management with the Risk Management Group being headed at the very top by the Director General. It then cascades to the Sector Leads and to the directors. The risk management team has received three recommendations from our external auditors that we have also accepted, and this will further strengthen the review of risk mitigation measures, including ensuring escalation and accountability. Thank you Mr. Chair.

317. Chair: I thank the Secretariat for the clarification provided. At this stage I don't see any requests for the floor. So we will go back to the action expected of the PBC. It will be displayed on the screen and I will also read it out for you.

318. The Program and Budget Committee (PBC) took note of the Organization's Risk Appetite Statement, aligned to Expected Results in the Medium-Term Strategic Plan 2022-2026, as set out in the Annex to document WO/PBC/34/13.

ITEM 16 WIPO FUNDING PLAN FOR AFTER-SERVICE HEALTH INSURANCE (ASHI) LIABILITIES

319. Discussions were based on document WO/PBC/34/14.

320. Chair: Agenda item 16 pertains to WIPO's Funding Plan for After Service Health Insurance Liabilities (ASHI). The document, which has been presented under this Agenda Item, is WO/PBC/34/14. At the 33rd PBC session in September 2021, the Secretariat had informed the Committee that with the results of the 2022 Asset and Liability Management study, the Secretariat would put together a funding plan in respect of the long-term employee benefit liabilities, including ASHI. The funding plan, together with any recommendations, would be

submitted to Member States at the 34th PBC session. I would like now to pass the floor to the Director of the Finance Division, for presentation of the plan.

321. Secretariat: Thank you, Chair. Following discussion at the 33rd PBC session in October 2021, the Committee recommended to the Assemblies that WIPO, in consultation with Member States, establish a target level of earmarked funds for the ASHI liabilities, consider the risks and benefits of formally designating earmarked ASHI investments as plan assets and consider options for mitigating the potential future growth in ASHI liabilities. During the discussions, the Secretariat explained that WIPO would undertake an Assets and Liability Management Study (ALM) in accordance with the Policy on Investments in order to be able to present a funding plan for long-term employee benefit liabilities which include but which are not solely composed of ASHI. The ALM study was carried out earlier this year by AON Hewitt, WIPO's actuaries who are responsible for the annual calculation of the long-term employee benefit liabilities. The actuaries considered several funding scenarios, including the objective of achieving 100 per cent cover of these liabilities within approximately 20 years. Given the sensitivity of the assumptions which underlie the calculation of these liabilities, the Secretariat has determined that covering the liabilities at 100 per cent is not necessary and is therefore proposing a funding plan which aims to cover the liabilities at a level of at least 80 per cent within 20 years. When preparing the calculations for the different scenarios, the actuaries considered the population covered by the medical insurance scheme as an 'open group' which, as explained in the paper, allows the calculations to take account of the subsidy effect which we know exists within such health insurance schemes. The result of this approach is to effectively reduce the size of the liability rather significantly. The ASHI liability included within the Financial Statements of CHF 573.7 million becomes CHF 279 million. The funding proposal explained in the paper involves maintaining the current charge against personnel costs at 8 per cent each year with a biennial top-up of 2 per cent, assuming that there are sufficient savings available within the biennial personnel budget. As I have already mentioned, the calculation of the long-term employee benefit liabilities is very sensitive to changes in the underlying assumptions. The paper has considered the impact of various possible changes. Finance will track such changes (and any others which may arise) and adjust the biennial supplementary charge accordingly, as part of the next ALM study, again assuming that sufficient surpluses exist. The paper also considers the risks and benefits of formally designating earmarked ASHI investments as plan assets. Such designation would require the creation of a separate legal entity or fund and careful consideration would be required regarding how this could be structured in order to satisfy IPSAS requirements, and any associated legal or governance issues. Finally, the paper explains what is currently being done by the organization in order to mitigate the future growth of ASHI liabilities. Thank you, Mr. Chair.

322. Delegation of Germany: Thank you, Mr. Chair. I take the floor on behalf of Group B. Mr. Chair, Group B would like to thank the Secretariat for preparing document WO/PBC/34/14. We appreciate that in line with the External Auditor's financial management recommendation 2 in his 2020 report, the Secretariat assessed options for mitigating the potential future growth in ASHI liabilities. Group B takes note of the funding proposal for long-term employee benefits outlined in document WO/PBC/34/14, which may be addressed individually by Group B members. We also take note of the risks and benefits and the ongoing efforts of the WIPO collective staff insurance management committee, as outlined in the aforementioned document. In this regard, Group B welcomes that the Secretariat will continue to ensure that the subject of ASHI and cost-containment measures remains a regular feature on the agenda of the Finance and Budget Network, and of other international inter-Organizational meetings. Thank you, Mr. Chair.

323. Delegation of the United States of America: Thank you very much, Mr. Chair. First, we would like to support the statement made by Group B and emphasize that we consider this issue to be of utmost importance, as did the External Auditors. I have several questions regarding this financing plan. First of all, we would like to understand why the paper indicates

that 100 per cent funding is not necessary. It would seem that 100 per cent funding would be the goal in our view. And I would like to understand how that conclusion was reached. The next question is, if our calculations are correct, it would seem that the difference between an 8 per cent surcharge and a 10.2 per cent surcharge on personnel costs would be somewhere in the 4-5 million range. Would it not be better to allocate a higher amount with the goal of achieving a higher percent funding rather than 80 per cent funding? If my conclusions are wrong, please correct me, but the way I understood the paper, we are seeking an 8 per cent surcharge on personnel costs in order to achieve 80 per cent funding. We wonder, given the substantial surpluses, would it not be sensible to have a little more added and set the goal for 100 per cent funding? The next question is with respect to the idea of segregating the assets into a separate entity as suggested by the External Auditors. We are not clear why we are only taking note of the risks and benefits, rather than taking action to properly segregate the assets, which represent a long-term obligation to employees. It would seem that, as with a pension fund, this money is owed to employees in the future and that segregating them and putting them into an entity would make sense, and that was what the External Auditors were suggesting. I understand there are different ways of doing it, but it would seem to me that segregating those assets on behalf of the employees would be a good move for this Organization to make. So I would like to understand why no action is being taken. I understand this has been proposed back perhaps 10 years ago and that Member States did not support it, but perhaps the situation has changed. I don't know what the situation was then but I wonder if you could address why we cannot do this at this time. My next question is with respect to the Financial Statements indicating that they indicate that the service cost went from 26 million in 2020 to 36 million in 2021. My question is, are we getting the best value with respect to service costs in this plan? They went up substantially over the past year. I wonder if you could talk a little bit about why they went up so much from 2020 to 2021. My final question is on page 40 of the Financial Statements, it indicates that the monthly medical premium for an adult is 625 CHF with WIPO paying 65 per cent of the premium and the employee paying 35 per cent. The rate for children is 278 CHF monthly. My question there is are the premiums updated to reflect current costs? Is there a review of the premiums? Those are my questions. I hope they are clear, if not I would be glad to restate them. Thank you very much, chair.

324. The Delegation of the Russian Federation: Thank you Chair. Perhaps it makes sense first to hear the response to the previous question because maybe the response to that question would be rather comprehensive. Thank you very much Chair.

325. Secretariat: Thank you Mr. Chair and thank you very much to the Delegation of the United States for those questions. The first one concerns the level of cover that we have set as a target and why have we set 80 per cent rather than a hundred percent. As I had explained and as also mentioned in the paper, this calculation is very sensitive to the underlying assumptions. There are many assumptions which form the basis of the calculation, and any of those can change from year to year and can change quite significantly. So what we do not want is to overfund the liability. It is quite possible that we could start to put aside or we could continue to put aside investments to support this liability and then the assumptions change, then actually the liability falls. I know that seems unlikely because the liability has risen on a consistent basis over the last few years, but if you look back over the last few years, there was a year when the liability fell and it is quite possible that the liability could fall in the future given the way interest rates are going. One of the key assumptions underlying this calculation is the discount rate. That is the rate we use to bring the liabilities that fall into the future back into today's values and that discount rate is based on the interest rate, which is currently being referenced on good quality Swiss bonds. As you know, interest rates are going up, so there is every chance that interest rates on good quality Swiss bonds would also increase, and that would increase the discount rate. The discount rate increases and the liability calculation comes down. That could make quite a significant difference in the short-term so we thought it was more prudent to aim for a lower rate of cover. Having said that, with the 8 per cent and 2 per cent top up, if you look at the paper, you will see in the chart on page 4 that we do actually

go above 80 per cent for part of the time period. If you look at the 8 per cent line on the top chart on page 4 in the English version, you will see we are up towards 84 per cent for part of the period that we are considering. We are looking at a 20 year time horizon of 2041 but for a good part of that time we are above 80 per cent. That is the reason for not aiming for 100 per cent cover. With regards to the question of segregating the assets, when we looked at the recommendation from the External Auditor, we were asked to look at the risks and benefits of formally designating the earmarked investments as planned assets. We were not asked to consider how we would do this and what sort of entity we would put in place to hold those planned assets. We look simply at the risks and benefits of doing so. The two main benefits of doing this is from the Organization's point of view, we are able to show the liability net of plan assets on the balance sheet. We are also able to apply the same discount rate that we applied to the liability to those plan assets. So if we consider that the liability has been discounted back into today's terms at say 0.5 per cent, we would also be up to apply that 0.5 per cent to the assets. So the assets would grow as the liability was growing. Those are the advantages from the Organization's point of view, and so that could be considered as making the balance sheet more transparent for users of the Financial Statements. The other advantage is that if we have a separate entity, the funds that are being set aside to meet the liability are housed in that entity and the Organization would not be able to retrieve those plan assets. So once money has been set aside into the separate entity it is being held there essentially for staff or retirees and the Organization would not be able to get that money back. The Delegation made reference to the fact that we had made a similar proposal several years ago, and what I can say is that this was actually one of the principal objections that was raised by the Member States at that time. The Member States did not like the idea of monies being set aside to meet this liability where they would not be able to call back those funds if they were needed for the Organization. The service cost is not really representing the value of the health insurance plan. It is much more driven by the changing assumptions that go into the calculation of this liability. It is really just reflecting the movement between years and it is not a reflection of the quality of the health insurance scheme itself. Coming to the point raised with regard to the premium payments, actually just this year the premiums were updated to reflect the current costs. I believe that CIGNA has been in close coordination with our HR department, and premiums were increased this year, and it was also agreed between CIGNA and HR that certain parts of the reserves that we hold with CIGNA would be used to help meet the increasing costs. So instead of premiums increasing to cover the full increasing cost, parts of the increasing cost were absorbed by a reserve that we hold with CIGNA but premiums were increased for staff. I hope I have answered all of your questions. Could you please bear with me for one second? Sorry, and thank you to my colleagues for reminding me, the Delegation did ask about this difference of 8 per cent and 10.2 per cent. The annual charge would be 8 per cent but the plan is also to have a top up payment of 2 per cent if budget surpluses allow at the end of each biennium. So we do to come up to 10 per cent at the end of the biennium so we are not terribly adrift from the 10.2 per cent. I think that effectively this is the same answer, that is why we are not aiming for 100 per cent.

326. Delegation of the Russian Federation: Thank you very much Chair. We would like to thank the Secretariat for preparing the Financing Plan to Manage Risks Arising from Long-Term Employee Benefits at WIPO. We also are grateful to the Secretariat for presenting their clarifications. We would like to note that this matter is of a systemic nature, therefore it is vital to make efforts to look for a universal way of addressing this matter once and for all, which would be put forward for the consideration of Member States so that they are able to agree upon the most acceptable and appropriate way forward. We are not opposed to the proposal of the Secretariat taking into account the general nature of the problem and we must look for universal solution. Thank you very much Chair.

327. Delegation of the United States of America: Thank you, I just had a couple of follow-up questions if I could. Now the liability increased by 87 million CHF this year as a result of different actuarial assumptions. I understand that the actuaries used much more accurate

methodology this year, claims data, as indicated by the External Auditor. So we are getting closer to a really good more accurate number. I do not understand why we are not going for the 100 per cent funding. I still do not understand that. It would seem to me that the entity could be established in such a way that perhaps some money could be returned if we tended to overfund it. Couldn't it be structured in a legal way that those extra monies be returned to the Member States or everything that goes into the fund never be touched by the Member States? It seems to me there was possibly a legal way to set it up that would work that could achieve this. And also, the goal of 100 per cent funding is not in one year. I believe it is over 20 years isn't it? So the fear that we are going to overfund it, it would seem to me that each year we could monitor it and we are not going to get to 100 per cent funding within a year, but why can't we set that aspirational goal of 100 per cent funding? I think it is very admirable that WIPO is doing anything about the ASHI funding. I work on other organizations that are doing nothing, and it is highly impressive what you are trying to do but why not take that final step? Why not go to 100 per cent? You will stand alone among the UN system Organizations and you will be a leader if you can achieve that. I believe that the surpluses that you have could allow it. I understand that what you may do is take the 80 per cent during the year and should the surplus exist at the end of the year, then you would put another 2 million in to achieve the 10 per cent funding with a goal of 100 per cent. Is that correct? So that may be another way to get at it but I think we should aspire for 100 per cent. I have a question about the history that apparently 10 years ago this was proposed - this predates my time here. Could you comment, was the Organization in as strong a financial position as it is right now? Perhaps it was not, but now is the moment, now is the time. You are doing so well. This is the number one concern of the External Auditors. It is your biggest liability and I think the moment is now to go to 100 per cent. I thank you for your indulgence, and the argument that the Financial Statements will be more transparent if we keep the assets not segregated, I am not totally clear on that. It seems to me that it could also be transparent. It is in the interests of the employees to have these assets segregated, and I think that is more important than how it is presented on the balance sheet. So these are my follow-up points, thank you very much.

328. Delegation of Algeria: Thank you Mr. Chair. As we said in our previous statement, the African Group wishes to express its concern regarding the significant increase of obligations for staff and the financing risks as a result of the significant increase in the ASHI obligations that might comprise the future financial viability of the Organization. That is why we underscore the importance of ensuring there is monitoring of the ASHI obligations, and establishing an effective framework for this expenditure in order to ensure that we fully understand the consequences for the WIPO budget. We welcome WIPO's initiative, in providing this long-term framework for managing this expenditure, which is a significant amount. We see the predictions go through until 2041 and we would like to get some further clarification on how accurate these scenarios are because this expenditure has been increasing significantly for a number of years now and we think it is very difficult to forecast precise scenarios in 10 or 15 years' time. I would like to get a better idea for the timeframe for applying these forecasts. As we have seen in other international organizations, sometimes you can finance obligations on an annual basis and we think WIPO needs to have this long-term framework, but there is uncertainty about the possible future increase in these obligations. We need to get an idea about the real timeframe for these predictions. Why not, as the US has suggested, allow for 100 per cent coverage in order to get visibility in a well-established framework? These are some of the concerns we would like to express on this issue. We would also like to underscore the importance of the work that WIPO was already doing in order to control costs. We have seen this in the performance and we encourage the Secretariat to continue its efforts to learn from similar experiences within the UN system and introduce innovative means of cost management, and we have seen some proposals in that respect that should be welcomed, so thank you very much.

329. Secretariat: Thank you Chair, and thank you again to the Delegation of the United States. Quite honestly, we would be perfectly happy to increase the funding percentage to 10 per cent per year. Obviously in the current biennium the percentage we contribute has already been

fixed in this biennial budget at 8 per cent. What we could do is continue with the 8 per cent this year and next. At the end of the biennium we would make a top up of 2 per cent, surpluses allowing. From then on, we would put the budget amount of 10 per cent in the budget. That way, we would achieve 100 per cent cover. So thank you very much for your suggestion. It is not a problem for any of us at all. Obviously, it is really a decision for the entire Committee so I pass to the Chair. Thank you.

330. Chair: It appears that the United States proposal which also had the backing of Algeria is acceptable to the Secretariat. The Secretariat is ready to take it on board, but it will require the consent of the Committee, so can I put it up to the Committee to see if all Members of the Committee at this stage are ready to take on board the proposal that was made? I do not see any request for the floor at this stage so I presume that the committee is ready. There is a request for the floor from the Delegation of Mexico. You have the floor.

331. Delegation of Mexico: Thank you, Chair. My only question would be that 10 per cent would be under personnel costs as already established in the budget? Where would the funds come from? That is really my question, thank you.

332. Secretariat: Yes, thank you to the Delegation of Mexico. It would be a charge against the budget, so just as all other personnel costs are charged in the budget, it would be part of that charge.

333. Chair: Are there any more comments? May I take it that the Committee as a whole is prepared to go along with this suggestion made by the United States and acceptable to the Secretariat? I do not see any request for the floor, so it is decided. With that decision, I presume that the action which was expected by the PBC, the draft decision, will need to be revised. For that, we will need a small break, and come back to conclude the decision. We can come back after five minutes and then resume.

334. Chair: We had a shorter break than we wanted to have, so the decision by the Committee is on the screen. Please take a close look at the changes that have been made. I hope all the delegations have had the time to read through the text. May I take it that the Committee is ready to accept the decision proposed on Agenda Item 16? It seems the Delegation of Canada has changed its mind and would like to take the floor. You have the floor.

335. Delegation of Canada: Thank you, Mr. Chair. Could I ask for just a bit of time before proceeding with that decision?

336. Chair: Can you define that bit for me?

337. Delegation of Canada: Five minutes.

338. Chair: You have that time, no problem.

339. Delegation of Canada: Thank you.

340. Chair: We have a request from the Delegation of the United States, you have the floor.

341. Delegation of the United States of America: Two things, please. Could you specify when this would potentially begin again? I think that you say it would not be this biennium, that it will be the next biennium? Perhaps that could be made more clear in the language. The second thing is the issue of putting the assets into an entity. Can we take this a little bit further again? Here we are taking note of the risks and benefits. Is there some kind of study or can your legal department come back to us, maybe next year before this takes place, to see if other options might be possible? Could we change the language slightly along those lines so that we could study the options and we would all fully understand it?

342. Delegation of the Russian Federation: Thank you very much Chair. We do have one quick question, with regard to the 10 per cent instead of the 8 per cent. We would like to ask the Secretariat whether this figure of 10 per cent is a real figure and we would like to postpone our decision on this matter until tomorrow morning because we need to discuss this matter with our capital. Thank you.

343. Secretariat: In response to the question from the Russian Federation, the 10 per cent would be part of the personnel budget which you will receive in the next cycle. So the proposal will contain a 10 per cent charge within the budget, and just to recollect for Member States reference, the current approved budget includes an 8 per cent charge. The approval of the 2022/23 budget included the approval of 8 per cent and now with the aspiration of fully funding the liability we would go to 10 per cent from the next proposal, thank you.

344. Chair: Just a clarification from the Russian Federation, as far as the proposed increase was concerned, we had adopted that decision with the consent of all Member States. I understand the Russian request is for postponing the decision on adopting the proposed text for changes we had made. There was a request from the floor for the Delegation of Mexico.

345. Delegation of Mexico: I am sorry, I have a question, I may be ignorant on these matters, but the initial proposal was 8 per cent plus 2, which would be variable according to whether or not there was a surplus. Is that right? Then at the end of the day the target was 80 per cent. So if we apply this 10 per cent each biennium, would that reach a target of 100 per cent? It seems to me that the proposal is practically the same, except the extra 2 per cent will come from the budget rather than savings. My other question is what does ASHI investments refer to? Should it be ASHI funding? This may be just my ignorance, but why are we saying ASHI investments? If you put it in a separate entity and you cannot touch that money. That is my doubt anyway, these are my questions. Thank you.

346. Secretariat: Thank you Mr. Chair and thank you to the Delegation of Mexico for your question. On the 8 per cent plus 2 per cent top up, which was in the original proposed decision, the guarantee there is 8 per cent, and 2 per cent would be only at the end of the biennium, subject to available savings from the approved personnel budget. There was uncertainty around the 2 per cent, and therefore if you only put aside 8 per cent, then we would reach the funding level of 80 per cent over the time period. So if we want to aspire for a higher level of funding with certainty, then we would have to increase that 8 per cent charge to 10 per cent. From the study it has come to 10.2 per cent. I think with 10 per cent we would reach pretty close to 100 per cent funding. On the investments, the use of the word investments relates to the strategic cash portfolio. So basically all of the money that we put aside for ASHI goes into the strategic portfolio. We refer to those investments as ASHI investments or investments that we are holding to meet long-term employee benefit liabilities. When I spoke earlier of a separate fund, that is the separate legal entity that we would set up to contain the investments that have been put aside for ASHI. If we set up a separate legal entity to house the investments and the liability for ASHI, it would probably be in the nature of a fund, a separate fund, but it would hold the investments. Does that make sense? If I could just add to the explanation that you just received on the 8 per cent plus 2 per cent, the proposal in the paper is 8 per cent every year and 2 per cent at the end of the second year of the biennium. It is not quite the same as 10 per cent each year. So 10 per cent each year is more. Thanks.

347. Chair: I do not see any request for the floor at this stage. So as of now, given the request of the Russian Federation that we keep pending a decision under this agenda item, we come to the end of today's session. We have two pending decision points under Agenda Item 14 and under Agenda Item 16. Delegations will have time to go through the proposed texts that were amended here by the Secretariat and my plan is we start tomorrow morning with completing action on Agenda Items 14 and 16, then go back to Agenda Item 13, which as we had planned, would be considered tomorrow, and then proceed further to Agenda Item 17, depending on the

progress that we make. We have done very well today. Let us hope that tomorrow will be as efficient as we have been the last two days. I wish you a very good evening and looking forward to seeing you all in a positive mood tomorrow morning.

348. Chair: We will move forward to Agenda Item 16, where we need to take the final action of adopting the decision by the Committee. May I request the Secretariat to display it again. The decision to be taken by PBC is displayed before you. We had discussed these changes yesterday. One delegation had requested for more time to be able to look at it more carefully. I hope that the delegation had more time to look at it more carefully, now we are prepared to adopt this decision. May I take it that the Committee is ready to move forward at this stage? The decision is displayed on your screen. There is a request for the floor from the distinguished Delegation of México. You have the floor. (Text displayed on the screen):

The Program and Budget Committee (PBC) recommend to the Assemblies of WIPO, each as far as it is concerned, (i) to approve the funding proposal for long-term employee benefits outlined in document WO/PBC/34/14, namely to have an annual charge (basic charge) of 10 per cent of personnel costs starting from the biennium 2024/25; (ii) take note of the risks and benefits of formally designating ASHI investments as dedicated plan assets and request the Secretariat to undertake a more detailed study on how a separate entity could be established in order to formally designate earmarked ASHI investments as plan assets and present the findings to the 35th session of the PBC, and (iii) take note of the ongoing efforts of the WIPO Collective Staff Insurance Management Committee to contain the growth of actual medical costs and thus the growth of the ASHI liability.

349. Delegation of Mexico: Thank you, Mr. Chair. I would like to make a slight change. The reason for this is to give more flexibility and to avoid over financing of the fund, I suggest “to have an annual charge of up to 10 per cent.” With this, the liabilities will decline and perhaps may not be necessary to use the full 10 per cent, perhaps only 8 per cent, so one could play with these figures or percentages, depending on whether or not the liabilities increase. Thank you very much.

350. Secretariat: It is fine for us if other Member States agree.

351. Delegation of the United States of America: Thank you, Chair. May we also suggest that the language also discussed that up until the 100 per cent liability is achieved in those years, and that maybe in surplus years, somehow we craft the language that it would be funded at 10 per cent in all projected surplus years as well.

352. Chair: Will you propose any specific language to change the decision as proposed? Because what I understand, from Delegations of Mexico and the United States, both will require an amendment in the language that has not been proposed. My question was whether we can live with this text as proposed? Otherwise, we need a break to bring about the changes. Mexico has requested the floor, followed by the United States of America. Mexico, you have the floor.

353. Delegation of Mexico: Perhaps we could make use of this suggestion and perhaps we could have a small break to discuss it. It would be “up to 10 per cent within the biennium personnel budget.” Well, I am not an English speaker, but I hope that works. Thank you.

354. Delegation of the United States of America: Thank you, Chair. Could we have a short break and confer with the Secretariat?

355. Chair: I love breaks, so go ahead. You have 10 minutes.

356. Chair: We are back to our business. So, a minor amendment, deleting the word ‘of’, replacing it with ‘up to’. I understand we are ready to move forward now with the language

displayed on the screen. I think all of you can read it well, so I would not burden you with reading the entire text from my side. May I take it that the Committee is ready to go ahead with the text as displayed on the screen with the changes as that are there? I see no request for the floor, so it is decided. Thank you very much, delegates. Delegation of Nigeria has requested for the floor. You have the floor.

357. Delegation of Nigeria: Pardon me, Mr. Chair. I noticed from the text, sorry to bring you back. Probably it is an issue of semantics. I do not know if the Secretariat can put the text back on the screen just to crosscheck their words. When we say 'up to', I think there might be no reason to have the '(basic charges)', because if you use the words '(basic charge)', it is supposed to be definite, it is supposed to be based on facts. If it is going to be 'up to', then I would not have the brackets around '(basic charge)'. That is how I feel, I do not know if that stands right.

358. Secretariat: Thank you, Mr. Chair, and thank you to the Delegation. Yes, we can live with taking out the '(basic charge)' in this new formulation.

359. Chair: Although, I had covered the decision, technically it was adopted at that moment before we noticed that Nigeria had made a request for the floor. The suggestion made by the distinguished Delegation of Nigeria is something which has been endorsed by the Secretariat, so I presume that the delegates are still in agreement with this change, and our decision as we had adopted stands adopted. There will be no further changes.

360. The Program and Budget Committee (PBC) recommend to the Assemblies of WIPO, each as far as it is concerned to (i) approve the funding proposal for long-term employee benefits outlined in document WO/PBC/34/14, namely to have an annual charge up to 10 per cent of personnel costs starting from the biennium 2024/25; (ii) take note of the risks and benefits of formally designating ASHI investments as dedicated plan assets and request the Secretariat to undertake a more detailed study on how a separate entity could be established in order to formally designate earmarked ASHI investments as plan assets and present the findings to the 35th session of the PBC; and (iii) take note of the ongoing efforts of the WIPO Collective Staff Insurance Management Committee to contain the growth of actual medical costs and thus the growth of the ASHI liability.

ITEM 17 PRELIMINARY DRAFT OF THE TERMS OF REFERENCE OF THE 2021 EVALUATION OF WIPO EXTERNAL OFFICES

361. Discussions were based on documents A/55/INF/11, WO/PBC/31/3 and WO/PBC/34/15.

362. Chair: "It is my pleasure to pass on the floor to Deputy Director General, Regional and National Development Sector for a presentation of the Preliminary Draft Terms of Reference of the 2021 Evaluation of WIPO External Offices. You have the floor."

363. Deputy Director General, Regional and National Development Sector: "Thank you very much, Mr. Chair, excellencies and distinguished delegations. As you are aware, the WIPO General Assembly in 2019 decided to conduct an evaluation of the entire network of the WIPO

External Offices and the Terms of Reference of such an evaluation would be decided by the Program and Budget Committee. Owing to the conditions created by the pandemic, the PBC was unable to decide upon terms of reference in 2020. At the last PBC session in September 2021, the Committee requested the Secretariat to develop a preliminary draft terms of reference. In doing so, the Secretariat was directed by the Member States to take into account the submissions by Member States, reflecting all views contained therein. In addition, the Secretariat was asked to take into account all relevant documents, including, but not limited to, the Guiding Principles regarding WIPO External Offices and the Report of the External Auditor. The Secretariat duly prepared a Preliminary Draft of the Terms of Reference of the 2021 Evaluation of the WIPO External Offices. The preliminary draft Terms of Reference were posted six months in advance of the session as requested on December 23, 2021 and they are before the delegations in document WO/PBC/34/15. With respect to the preliminary draft of the Terms of Reference prepared by the Secretariat, I would like to note the following: first, the structure of the terms of reference follows the norms and standards for evaluation of the UN Evaluation Group; second, the preliminary draft terms of reference reflect all views expressed by Member States in their submission as well as the Guiding Principles and the Report of the External Auditor. As was clear from the discussion at the 33rd session of the PBC last September, there remains varied and at times divergent views among Member States on aspects of the terms of reference. Secondly, there is bracketed text in the preliminary draft terms of reference. Third, and finally, as I made clear my remarks in the last session of the PBC, the preparation of the term of reference is a Member State driven exercise. The Secretariat hopes that its preliminary draft has assisted Member States and rest assured that the Secretariat remains ready to facilitate and assist the Member States upon request. Thank you Mr. Chair.”

364. Delegation of Algeria: Thank you very much Chair. Algeria has the honor of making this statement on behalf of the African Group. The African Group thanks the Secretariat of WIPO for preparing the Preliminary Draft of the TOR on the Evaluation of the EOs of WIPO set forth in document WO/PBC/34/15. We note that the preliminary draft was prepared on the basis of contributions of Member States in order to develop the TOR of the evaluation of the whole network of the EOs of WIPO in keeping with the relevant decision of the General Assembly. The African Group feels the network of EOs is an important tool that allows the Organization to make its services and activities for cooperation and development available to Member States, stakeholders and partners, and to attain the strategic goals of the Organization. The network is also an effective way to better raise awareness on the ground, and to establish closer links with the various stakeholders in the host countries, which could give WIPO's staff the possibility to become aware of the problems at a national level, and therefore to strengthen the culture of development of the Organization as a body of the United Nations system. The African Group considers that the main goal of the evaluation of the External Offices is to strengthen an empowering approach of ongoing improvement focusing on the way in which the Offices function and tie in with their role in WIPO in order to generate results that tie in with the strategic goals of the Organization. The evaluation must in particular focus on the efficacy of the mechanisms and processes to carry out quality activities and to achieve results of the same nature in keeping with the results framework of the Program of Work and Budget. Along these lines, the TOR for this evaluation must focus on clear and objective indicators and criteria in order to provide WIPO with a framework to take stock of the organizational capacity of the Offices outside of the headquarters and thus to provide precise guidance to improve the functioning of the offices. The TOR must also tie in with the good practices of the UN system whilst drawing upon the expertise and experience of WIPO when it comes to internal control and audit. The TOR must also take into account the age of the External Offices, given the fact that newly created Offices in WIPO cannot obey the same criteria or evaluation tools as the rest of the network. We support the fact that the TOR must not prejudice the decision of Member States on the development of the network of External Offices and it must be limited to the evaluation of performances of each External Office depending on the means available to that Office, including those provided by the host country. It is also important to take into account the

contribution of the External Offices to the attainment of the Development Agenda (DA) of WIPO and also the sustainable development goals (SDGs), given that a key part of WIPO's policy is made up of this issue. In this regard, the final result of the evaluation of the External Offices must allow WIPO to improve its network outside of the headquarters in order to allow them to become more operationally effective, particularly when it comes to planning, supervision and responsibility. And also it is vital to give Member States the opportunity to appreciate the role played by the network in the attainment of the goals and priorities of the Organization. The African Group is of the view that the evaluation on an ongoing basis of WIPO's activities and performance is an imperative of good governance in the context of results-based management. In this regard, it is important that the evaluation is in alignment with the established practices of evaluation of the governing bodies and WIPO sector activities without them being subject to evaluation elements of a political nature which could lead to the evaluation to lose its relevance. The PBC remains the decisional body of the evaluation and it looks at the results and the size of the External Offices every five years in keeping with the Guiding Principles of 2015. The assistance that the Committee could request from other entities of supervision to carry out this evaluation must focus on factual elements which will allow us to enlighten the deliberations within the Committee on the strategy to adopt to improve functioning of the efficacy of the network of External Offices. We stand ready to actively take part in the discussions on this agenda item in a constructive fashion. Thank you.

365. Delegation of Germany: Thank you Mr. Chair. I take the floor on behalf of Group B. Group B would like to thank the Secretariat for preparing a Preliminary Draft of the Terms of Reference of the Evaluation of WIPO External Offices contained in document WO/PBC/34/15 and for its timely publication. Group B appreciates the efforts the Secretariat put into preparing this document based on the inputs received from Member States. We believe that the presented document is a basis for our discussions and we look forward to developing it further. We reiterate that the evaluation of the WIPO External Offices should be based on the general principles and objectives of independence and transparency. The assessment should be unbiased, uniform and transparent to provide an accountable, effective and informative evaluation to Member States. To this end, we continue to see it as extremely important that evaluation is conducted in a fully independent manner. We are ready to engage in discussions with all Member States to further define and substantiate the preliminary draft of the Terms of Reference. Having said that, I would like to make more specific comments on the preliminary draft. Group B notes that the current External Offices have been an extension of WIPO's services since 2005. As an arm of WIPO's work and in line with the Guiding Principles, Group B is looking to ensure that External Offices are evaluated in a manner consistent with the General Assembly decisions and with a view to the Offices adding clear value, efficiency and effectiveness to program delivery. Group B would like to offer the following comments on the specific elements of the preliminary draft of the Terms of Reference. We believe that the evaluation should be done in a fully independent manner in accordance with United Nations Evaluation Group norms and standards for evaluation. Independence and impartiality of evaluation is necessary for credibility. An external evaluation team should be selected through an open and transparent process in accordance with WIPO's established procedures and should consist of IP experts and professional evaluators. The purpose of the evaluation, in accordance with WIPO's evaluation policy, should be to assess in a comprehensive matter, the relevance, effectiveness, impacts of sustainability and efficiency of WIPO's network of External Offices and their adherence to the Guiding Principles contained in Annex XI in document A/55/INF/11, and their contribution to WIPO's mandate, strategic goals and relevant Medium-Term Strategic Plan items. As an objective, the evaluation should answer the key questions with respect to relevance, impact, effectiveness, efficiency and sustainability of each External Office and the External Office network as a whole *vis-a-vis* WIPO's mandates, strategic goals and relevant Medium-Term Strategic Plan items. With respect to the methodology, the evaluation should be done in a rigorous and efficient manner in accordance with UNEG standard 4.5 to produce useful information and findings for Member States. Desk reviews, interviews and surveys listed in paragraph 13 of document WO/PBC/34/15 are good examples

of the activities that should be included in the methodology. We would expect the evaluation team to prepare an inception report, a first draft report and a final report and to provide useful recommendations which are fact based and well supported. The final report should be presented to Member States and the PBC. Thank you Chair.

366. Delegation of Dominican Republic: Thank you Mr. Chair. The Delegation of the Dominican Republic has the honor of taking the floor on behalf of the Group of Latin American and Caribbean Countries (GRULAC). In this Agenda Item, yet once more we wish to express the support of the Group for the opening of an External Office in Colombia, as was agreed and acknowledged by the Chairperson of the General Assembly at the time. We like to remind you that the Colombian candidacy is based on consensus in our region. Previously various candidacies were submitted in the region, and they declined in favor of Colombia. We also understand the delay on agreeing on the Terms of Reference should not be an excuse for not complying with the commitments to opening up new External Offices, such as in Colombia because this will affect the smooth operations in the region. GRULAC is ready to work on the Terms of Reference and would like to analyze and discuss the text with a view to making progress. Thank you.

367. Delegation of China: Thank you, Chairperson. China would like to thank the Secretariat for compiling the comments and inputs received on the Terms of Reference for the evaluation of External Offices and for preparing this document. Our delegation would also like to thank Deputy Director General, Regional and National Development Sector for his introduction. At the same time, my thanks also go to the delegations who have submitted their comments on this Agenda Item. Considering that, the evaluation of External Offices this time is not only an internal matter related to WIPO, but also concerns Member States. Therefore, China would like to reiterate that the evaluation this time should take into full consideration the views and recommendations of Member States, including those from the host countries. The indicators for the evaluation of External Offices should not only be common, but also should take into full account of the characteristics of host countries and they should be targeted and avoid a one size fits all approach. China hopes that in the Terms of Reference, the square brackets reflecting what I have just mentioned will be removed. With regard to the subject of the evaluation, China believes that the Guiding Principles on WIPO External Offices do not exclude the Internal Oversight Division from the provisions on the evaluation. Given the independence of the Internal Oversight Division and its work and familiarity with the work of WIPO, it is appropriate for the Director of the IOD to take the lead in this evaluation. That is the end of my statement, I thank you Chair.

368. Delegation of Slovakia: Thank you for giving me the floor. Mr. Chair, the CEBS Group thanks the Secretariat for preparing the document on the draft Terms of Reference of the evaluation of WIPO External Offices. The topic of WIPO External Offices had been on the Organization's agenda for several years and had been the subject of lengthy negotiations between the Member States. The CEBS Group has always been committed to the implementation of the 2015 WIPO General Assembly decision to conduct a review of the WIPO External Offices. We believe that the WIPO External Offices evaluation must be done in a highly transparent, independent and objective manner. But, at the same time, we would like to clearly see that the evaluation would show us the real results of the activities of the External Offices, the real performance and the real fulfilment of WIPO's objectives in the work of External Offices. As we have concerns about the efficiency and effectiveness of the work as well as operation of at least one existing External Office, we would prefer the internal audit of existing External Offices. We noted that due to the COVID-19 pandemic, the timetable for the evaluation is now out of date. Therefore, we would like to emphasize that while the evaluation will take into account the impact of the pandemic on activities of the External Offices, the recent international circumstances and geopolitical situation, especially the aggression of Russia against Ukraine, should also be reflected. The CEBS Group is ready to discuss the draft Terms

of Reference for the evaluation of External Offices, and will engage constructively in deliberations, thank you.

369. Delegation of India: Thank you, Chair. I am taking the floor in my national capacity.

370. Chair: I am sorry, I will have to interrupt you because the Russian Federation has indicated that it is a point of order. I give the floor to the Russian Federation.

371. Delegation of the Russian Federation: I would like to apologize to the previous speaker, since we raised and pressed the button and tried to point out anyway that we would like to make a point of order, but we were not seen. I would like to call upon you to remind Member States of the need to not use the platform of WIPO to use unacceptable terms. We must use language that is appropriate and we must refrain from discussing matters that run counter to that, thank you.

372. Chair: I have taken note of the statement made by the Russian Federation. I would like to remind Member States to maintain the decorum that is required of the Member States when participating in WIPO meetings, in their statements. I now give the floor back to the Delegation of India for their statement.

373. Delegation of India: Thank you Chair, once again I am taking the floor in my national capacity. India would like to thank the Secretariat for providing the Preliminary Draft of the Terms of Reference of the 2021 Evaluation of WIPO External Offices, however, we are disappointed to see that the preliminary draft is merely a compilation of inputs, rather than a concise draft which could have allowed Member States to work towards gathering consensus at this session of the PBC. India believes that the evaluation should be conducted in a transparent, objective, and unbiased way. There is a need to find synergy between the role of the Member States, and the technical expertise, which the WIPO Secretariat can bring to the process of evaluation. While the overall process of evaluation ought to remain Member State guided, technical evaluation should be anchored in the WIPO Secretariat, which may provide as with an objective and informed evaluation. Mr. Chair, India would like to stress that the lack of progress on this critical issue is not in the interest of Member States. In fact, it harms the interests of Member States who would be benefiting from the activities of External Offices of WIPO. It also goes against a key and shared goal of assisting countries in various parts of the world in creating conducive ecosystems for promotion of innovation and protection of intellectual property. We would also like to reiterate our view that the proposal to conduct the evaluation of External Offices should not have been linked with the proposals to open new External Offices of WIPO. In our view, the Terms of Reference should emphasize quantitative and qualitative parameters with concrete timelines. Technical and merit-based approaches, as well as local contexts, should be taken into account in assessing the service delivery and efficiency of External Offices. Further, in our view, the decision on setting up new External Offices should not be held hostage to completion of the process of evaluation of the existing offices. India reiterates its readiness to remain constructively engaged in the discussions on this important issue, and work with Member States to finalize expeditiously the Terms of Reference. Thank you, Mr. Chair.

374. Delegation of Brazil: Thank you, Chair. Brazil aligns itself with the statement of the Dominican Republic on behalf of GRULAC. We remain open to an evaluation process of WIPO's network of External Offices. We believe this evaluation could have two important roles, first providing recommendations to existing Offices and how to improve their operation and the delivery of their services and second, shedding light on the future expansion of the network. Last year, Brazil submitted written suggestions on the Terms of Reference for the evaluation. The views expressed then remain true to this day. We remain open to either an internal or external evaluation as long as it is independent, transparent and inclusive. In any case, it is important that any evaluation is carried out in consultation with host countries, and that the

existing External Offices are given an opportunity to contribute and offer suggestions on how they could further improve their work and eventually enhance their scope of activities. This delegation also sees merit in an approach that gives due consideration to the specificities of each EO's mandate, context, and circumstance, and the level of development of host countries and local IP ecosystems. Brazil is ready to analyze any proposal on the Terms of Reference, including a proposal under your responsibility, and we will engage constructively to reach consensus on an approach on the evaluation. I thank you.

375. Delegation of the United States of America: Thank you, Mr. Chair. The United States supports Group B's statement. We believe that document WO/PBC/34/15 provides an initial starting point for discussion, but this Committee needs to further develop the Terms of Reference in this preliminary draft and we intend to participate constructively in this exercise. However, before we start discussing the Preliminary Draft of the Terms of Reference for the Evaluation of WIPO External Offices, I would like to make a few general observations with respect to one of the External Offices. As we noted in our statement on Monday, in the last few months, the Russian Federation has passed legislation and issued decrees that undermine the protection and enforcement of intellectual property rights for foreign rights holders. These actions do not align with WIPO's mandate and prevents Russia, a country of one of WIPO's External Offices, from contributing to the achievement of WIPO's mission, vision and objectives. The current situation begs the question, how can a Member State that blatantly disregards one of the main objectives of WIPO, that is to promote the protection of intellectual property worldwide, host a WIPO External Office that is supposed to do just that. We need to keep this in mind during our discussion on the evaluation of the External Office network. Thank you, Mr. Chair.

376. Delegation of Nigeria: Thank you Chairperson. Nigeria aligns with the statement by the Delegation of Algeria on behalf of the African Group and wishes to express our appreciation to the Secretariat for introducing this Agenda Item, including information on progress made towards the compilation of the inputs by Member States on preparation of the Terms of Reference for the 2021 Evaluation of External Offices. While we are pleased to note that the submissions of inputs had been Member State driven with the Secretariat playing the technical role, we wish to further reiterate that the Terms of Reference for WIPO EOs should be balanced, transparent, fair as well as conducted in consultation with the host countries. This Delegation expects that the evaluation should be conducted in due recognition of the unique characteristics of the EOs which were spread across different regions, with distinctive paces of development, resources available at their disposal and length of operation. This delegation believes that it is important to give the existing EOs the voice and opportunity to contribute, to offer suggestions on how their functions and scope of activities could be improved and enhanced respectively. We believe the efficiency and effectiveness of the Program of Work and Budget of WIPO would be positively impacted as well as stimulating the coordinating activities of the Secretariat. The Delegation of Nigeria attaches great importance to the evaluation of the WIPO External Offices and stands ready to participate constructively with Member States on this Agenda Item. Thank you so much.

377. Delegation of Colombia: Thank you Mr. Chair. Our Delegation addresses the Committee with the aim of endorsing the Dominican Republic's statement on behalf of GRULAC and also express gratitude for the support expressed for the establishment of a Colombian office. As stated last Monday, Colombia's aspiration corresponds to something that began in 2016 when we reached considerable regional consensus that has been maintained until now. We have been very constructive, flexible and enthusiastic about the decisions taken by the Committee under Item 17 of this week's Committee meeting concerning the Terms of Reference of the 2021 evaluation of WIPO External Offices. In this respect, we wish to urge all Member States to initiate this process and to avoid spending time postponing this evaluation, which in fact should have been completed last year, but because of reasons well known to all, this could not be done. Finally, my Delegation considers it appropriate, in the context of the decisions by PBC for

2022, there should be an attempt to understand better the functioning of External Offices abroad. We think that a briefing session would be extremely useful to improve our knowledge about the whys and wherefores, the contributions to the objectives and aims of the Organization. In this sense, we will be holding consultations within GRULAC and also with other regional groups with the aim of working on a proposal to this effect, and possibly submit it for attention by this Committee at this session or the next one. Thank you.

378. Delegation of Japan: Thank you Mr. Chair. The Delegation of Japan aligns itself with the statement delivered by the distinguished Delegation of Germany on behalf of Group B. At the outset, we would like to express our sincere appreciation to the Secretariat for preparing working document WO/PBC/34/15. This Delegation understands the importance of differentiating each Member State's proposals for the Terms of Reference of the evaluation of WIPO External Offices. This Delegation would like to reiterate our view. First of all, it is important that evaluation of the entire network of WIPO External Offices be conducted in accordance with unbiased, fair and highly transparent procedures. Secondly, the WIPO General Assembly adopted the Guiding Principles regarding WIPO External Offices as a principle for opening new External Offices. We consider that several key points to note when opening External Offices, which is stated in the Guiding Principles, would also be very useful for evaluating the existing network of External Offices. Thirdly, in order to appropriately reflect the current state of operating procedures of all External Offices, it would be appropriate to arrange an opportunity for the External Offices themselves to participate in the evaluation process and to provide replies to or opinions on the criteria used for the evaluations. This Delegation would like to be actively involved in the discussions on the Terms of Reference of the 2021 Evaluation of WIPO External Offices. Thank you Mr. Chair.

379. Delegation of Romania: Thank you Mr. Chair. Since this delegation takes the floor for the first time, we would like to join the other delegations in congratulating you and your Vice-Chairs on your election, and we much appreciate your efforts to advance the work of this important Committee. We align with the CEBS Group statement and we would also like to thank the WIPO Secretariat for preparing and posting the document WO/PBC/34/15. It is well known that Romania announced its intention and preparedness to host since the beginning, a sub-regional External Office in Bucharest 12 years ago in 2010. In 2016, after we all agreed on the 2015 Guiding Principles, our country submitted a formal proposal drawing on what we had been decided. The offer has been reiterated in March 2017 in full accordance with the established procedure. While emphasizing that CEBS remained the only region without any External Offices, we would like to reiterate the importance of the Guiding Principles stating that besides corresponding to the needs of this Organization, the priority should be given to regions without any External Offices and equitable geographical distribution should be considered and respected. We would also like to stress and remind that our offer was formally supported by a number of countries from our region since the beginning without being contested by any Member State or Group. Likewise, we would also like to affirm our readiness to engage in drafting the Terms of Reference for Evaluation of External Offices in a transparent, objective and constructive manner. Thank you Mr. Chair.

380. Delegation of Republic of Korea: Thank you Mr. Chair. The Delegation of the Republic of Korea would like to thank the Secretariat for the hard work in preparing the document WO/PBC/34/15. We think that this report will be a good basis for further discussion to proceed with this item. Considering that the External Offices are the extended arms of the Organization, and the WIPO Secretariat has experience and expertise, we believe that more active engagement of WIPO's Secretariat should be encouraged in conducting the evaluation. In this context, we welcome the inclusion of paragraph 16 in the part on management arrangements. Further, we also welcome some sentences in paragraph 10. In particular, we want to emphasize that it should provide an evaluation on the basis of the performance indicators for External Offices as outlined in WIPO's Program of Work and Budget. We look forward to having constructive discussions on this agenda item. I thank you Mr. Chair.

381. Delegation of Pakistan: Thank you very much Mr. Chair. Pakistan attaches great importance to the external evaluation of the entire network of WIPO External Offices. Over the years, the issue of opening new External Offices has been politicized, primarily due to the mismatch between the number of EOs that could be opened in a given biennium and the number of applicant countries. Although Pakistan is not an applicant for the opening of an External Office, the Pakistan delegation has actively participated in the discussions concerning External Offices at the PBC as well as the General Assembly. Our consistent position on this issue is guided by the principles of neutrality, objectivity, inclusiveness and transparency, as well as on the basis of the Guiding Principles regarding WIPO External Offices agreed by the General Assembly in 2015, and the recommendations contained in the External Auditor's Report submitted during the 31st session of the PBC in 2019. These Guiding Principles and recommendations of the External Auditor offer important insight for the development of TORs and the subsequent evaluation. My delegation thanks the Secretariat for the preparation of the preliminary draft of the terms of reference. It is heartening to see some tangible progress on this issue finally. I also thank the Deputy Director General for the presentation just now and also the fact that he mentioned that the structure of the draft is in line with international practices. I also thank the Secretariat for taking into account my Delegation's written submissions in the preparation of the preliminary draft. We believe that the draft contains the essential elements for the evaluation, and it is a good basis to start our discussions on this important issue. Mr. Chair, we have some specific suggestions with regard to various sections. May I present them now or later on?

382. Chair: Please go ahead. The task before us is to actually discuss the preliminary draft.

383. Delegation of Pakistan: With regard to the scope, Mr. Chair, we recommend that in paragraph 9 line 3, we propose to replace "...WIPO External Offices implemented in the 2018/19 and 2020/21 biennia...". We propose that "after the adoption of Guiding Principles in 2015". This suggestion is in line with guiding principle nine. Also this would be the first evaluation to be conducted. It is only logical not to miss any biennia. We believe that the evaluation should cover the entire operations of External Offices since establishment, but we can go along with the scope of evaluations which covers the period following the adoption of the Guiding Principles in 2015. Mr. Chair, with regard to the objectives, according to the Guiding Principles concerning the additional External Offices in addition to assessing the performance of the network, the size of the network is also to be evaluated. The guiding principle 12 states, and I quote, "the ability to maintain the financial and budgetary sustainability of WIPO External Offices network will depend on whether it contributes to the delivery of program results, the cost effectiveness of its operations and the prevailing financial situation of the organization and the Secretariat should keep Member States adequately apprised of this consideration." Therefore, in light of this, it is very important to base the evaluation on some of these questions. Therefore, we propose the following additions to the objectives. Number one, assess whether External Offices are essential to the appropriate functioning of WIPO and fulfilment of its core objectives and mandate. Of course we can provide these in writing through email as well. Second, carry out an empirical and objective assessment of the cost effectiveness of maintaining the External Offices as compared to achieving similar objectives by other means. Mr. Chair, we understand that the whole document is in brackets. We will not propose deletions at this stage. I would just like to state that in my Delegation's view, the purpose of evaluation is not only to assist External Offices improve operations and service delivery and identify best practices or for that matter to improve the effectiveness and efficiency. These could only be some of the secondary objectives of the evaluation, only after we have established a rationale of maintaining or expanding the External Office network. In terms of methodology, we agree with bullet four that the evaluation should take into account different profiles, mandates, contexts and circumstances of existing External Offices. This would be particularly true for two External Offices that have been established in the African region. Finally, with regard to the management arrangements, our preference is an independent and neutral organization outside of WIPO to carry out this task in order to ensure neutrality and objectivity of the evaluation. In

that context, we do not agree with paragraph 17 and 18. In terms of the budget, there should be sufficient separate budget allocated to this exercise, and we remain open to consulting with other Member States and the Secretariat on specific linguistic proposals in this regard. Lastly, as I said earlier, the preliminary draft contains essential elements and offers different options aligned with the views expressed by Member States. This draft is the result of views expressed by Member States verbally and in a written form from last year and on the basis of the Guiding Principles, and the External Auditor's Report. Therefore, our discussions should be based on this document. Thank you.

384. Chair: I thank the Delegation of Pakistan for their statement. We have reached the end of this session. We have a number of more requests for taking the floor. So we will resume our session at 3p.m. today to continue our deliberations. I would like to remind the delegations that we are the PBC, so the task before us is to draft the terms of reference. What I have heard is the views of the delegations and what they would like to see in the terms of reference and what kind of evaluation they would like to take place, but the task before us is very specific, that we need to draft clear, precise Terms of Reference for the evaluation. And therefore, I would like delegations to focus their attention on the preliminary draft that we have, which is a compilation which provides a good basis for discussion, but it is not in the form that it can be taken as a Terms of Reference for evaluation, because we need to have a more precise and concise draft. When we resume the discussions in the afternoon, I will request the delegations which will be participating in the deliberations to be very specific in their comments, and come out with precise and concrete suggestions on the draft that we have before us so that we can find a way forward. We have heard these debates in the previous sessions too, and also in various discussions with the Groups and within the Groups. I think we need to move forward and that movement forward will not be possible unless we start focusing on the specifics. That is why my request to delegations will be that we had this draft for the last six months, as we had requested the Secretariat that they make available this draft to us about six months ago. It is time that we are more focused in our deliberations and we work towards consensus text for the Terms of Reference, which we can adopt at the end of the session. The process of evaluation then can actually start. If we continue to debate on what we would like to see in the Terms of Reference, what kind of evaluation we desire, but we do not move forward in the process where actually revision takes place, then the goal we have set for ourselves at the General Assembly and at PBC will not be fulfilled. I am looking forward to more focused discussion this afternoon, and if there is anything that I can do as a Chair to facilitate that discussion, and come back with that proposal, I thank you for your kind attention and I look forward to seeing you back here for 3:00 p.m. Have a good afternoon and a good lunch.

385. Chair: Welcome delegates. We are ready to resume. A very good afternoon to you. We will continue our discussion under Agenda Item 17 and we will follow the list of speakers as we had before lunch. I would like to begin by giving the floor to the Delegation of Ukraine. Delegation of Ukraine, you have the floor.

386. Delegation of Ukraine: Thank you Mr. Chair for giving us the floor. The Delegation of Ukraine wishes to align with the statements of Germany on behalf of Group B, Slovakia on behalf of the CEBS Group, and the United States. When speaking about WIPO External Offices and especially their evaluation, for the purpose of which the document WO/PBC/34/15 is discussed, it is worth mentioning that hosting an External Office is first and foremost the privilege and honor for the receiving state. The network of External Offices operates under the same mandates, principles and objectives as WIPO. In particular, in the upholding the highest global IP rights protection system. Since beginning on February 24, when there was an unprovoked and unjustified aggression against Ukraine, a number of the legal decisions that undermined the spirit and letter of the universal protection and enforcement of IP rights has been adopted by the Russian Federation. These actions by the Russian government in fact contradict to the principles and objectives that govern functioning of the WIPO External Office in the Russian Federation. Considering violations of IP law, rules and rights, there are doubts that

the WIPO External Office in the Russian Federation has the ability and intention to promote and uphold the necessary protection of IP rights according to the Guiding Principles set out for WIPO and its Strategic Plan. Mr. Chair, WIPO's External Offices are the extended arms of their Organization in the field. The Delegation of Ukraine, based on the view that WIPO and its networks should continue to promote and protect the global IP system, is interested that the evaluation would find precise answers to the number of questions, including, for example, to what extent does the WIPO Office in the Russian Federation comply with the Guiding Principles regarding WIPO External Offices? If the promotion of the effective use of WIPO's global IP services was ensured *et cetera*? The Delegation of Ukraine is convinced that timely and thorough evaluation of External Offices would help Member States to make an informed decision about the future of the network. Thank you.

387. Delegation of Singapore: Thank you, Chair. First, Singapore would like to thank the Secretariat for its hard work for providing the preliminary draft Terms of Reference of the Evaluation of External Offices on the basis of inputs from Member States. We remain committed to engaging constructively in the drafting of the Terms of Reference and will work closely with other Member States on this process. Second, it is critical that the Terms of Reference of the evaluation process produces an output that will provide guidance and assist existing External Offices to improve their operations and service delivery. In this regard, it is important for members to be aligned on this objective in order for the process to be meaningful and impactful. Third, we thank the Secretariat and Chair for the openness and transparency in conducting consultations on this issue thus far. We hope that the principles of transparency and inclusiveness of all members, including External Offices and their host countries, will continue to be upheld in the process of the drafting of Terms of Reference. This will ensure the Terms of Reference will provide a holistic and objective evaluation criteria for External Offices. Thank you.

388. Delegation of South Africa: Thank you very much, Mr. Chair. South Africa aligns itself with the statement delivered by the Delegation of Algeria on behalf of the African Group. Mr. Chair, we are of the view that conclusion on discussions on the Terms of Reference is needed to ensure that the evaluation takes place without delay. The evaluation of External Offices will assist the countries hosting the External Offices, as well as the entire WIPO membership, including prospective host countries, to better understand the functioning of the current External Offices and to identify gaps to be filled, and any assistance needed to empower the External Offices to have greater impact. The evaluation would enable us to learn from the best practices of External Offices, and this should especially help the countries that will host the External Offices in future. It is indeed in the best interests of the entire WIPO membership to have External Offices that add value and that function in an efficient and effective manner in line with the Guiding Principles. The evaluation of the WIPO External Offices should be a credible exercise that is based on the principles of transparency and objectivity, and as has been highlighted by the African Group, should not prejudge the decision of Member States on the development of the network of External Offices. It would not be possible to achieve the goals of the evaluation without clear and unambiguous Terms of Reference. As such, the current document, which we thank the Secretariat for its compilation, needs to be streamlined if it is to be of any use to the Committee. We thank delegations that have submitted inputs on the Terms of Reference, but we consider some of those inputs to be incompatible with the objectives of the evaluation. We reiterate the importance of the External Office network as a key vehicle to accelerate the delivery of WIPO's program and services and contributing to the objectives of the Medium-Term Strategic Plan, including that of connecting WIPO with its various stakeholders, including those who have not been traditionally served by the IP system. We look forward to productive discussions without politicization of the matter. Thank you.

389. Delegation of Canada: Thank you Mr. Chair. Canada is grateful to the Secretariat for providing this preliminary draft and aligns itself with the Group B statement. We continue to advocate for uniform evaluation methodology to apply across External Offices to ensure

consistency and transparency in evaluation, in line with best international practices. Such an evaluation should be independent and lead to recommendations that can improve the effectiveness of individual Offices as well as that of the network. In accordance with the 2019 decision of the General Assembly and per the Report of the External Auditors in document WO/PBC/31/3, as there remains no clear [strategy] underpinning the development of the External Office network, Canada believes that a robust evaluation of the network is a prerequisite of any deliberation when considering new offices, and a key tool in ensuring the accountability and transparency of the existing network. External Offices work as an extension of WIPO's services and should be evaluated as such, as the recipients of the services, stakeholders and their host countries will undoubtedly be invaluable interlocutors for the independent evaluators who will be in charge of conducting the evaluation. Thank you.

390. Delegation of Uganda: Thank you Chair for giving Uganda the floor. Uganda would like to align itself with the statements made Algeria on behalf of the African Group. Uganda would like to note that Terms of Reference of the Evaluation of External Offices should be transparent, efficient, inclusive and in an independent manner. Uganda wishes that contributions and support for host countries should be valued and reported in WIPO's Financial Statements. Uganda also hopes that the Terms of Reference need to be integrated with regional bureaus and offices, while sharing workplans and enhancement of internal reporting and greater focus on performance against program budget work plans. The Terms of Reference should also include an analysis of the constitutional basis for External Offices under the WIPO Convention. Moreover, the Terms of Reference should also enable an evaluation of the extent to which External Offices' mandates and activities comply with the Development Agenda. Uganda also wishes to note that the Development Agenda recommendations should be in line with WIPO programs and in countries without External Offices. Thank you Mr. Chair.

391. Delegation of the United Arab Emirates: Thank you Chair. The UAE wishes to reaffirm the importance of adopting Terms of Reference for the current period and within the budget. We would like to stress the need for the Member States to adopt in a simple and objective manner these Terms of Reference. We will look to you to facilitate the consultation so that we may adopt a decision during the present session. As you know, the UAE submitted a request to host an External Office in 2017 on the basis of the Guiding Principles adopted by the General Assembly in 2015. The UAE wishes to thank the Secretariat for preparing the document WO/PBC/34/15 and the Member States who have submitted and contributed with proposals. We wish to make a few proposals regarding the suggested text. Having examined the text, I wish to point out the following four points. First, we need to work to simplify the document and seek to reduce contradictions and oppositions in the text, especially those regarding the procedures and methodology. We support the points mentioned in paragraph 9 regarding the evaluation of External Offices and the ways and means of achieving the goals of WIPO from 2018 to 2021, taking due account of those Offices that have already been opened and inaugurated. Regarding the management arrangements, we find that it is essential that the evaluation authority for instance must be well informed of the nature of this Organization and its goals. It must show transparency, independence, and this must not lead to any increased expenditure for the Organization. We wish to stress that those authorities able to do so must concentrate on the following. The IOD, as you know during the work of this Committee, all Member States have commended the work of the IOD and as we heard this week, the IOD is highly professional and skilled. We could also resort to the IAOC, as you know it is a consultative organ composed of external experts which assists Member States in supervising WIPO operations. The UAE fully support these instances and we would not in fact welcome any other external authorities as mentioned in paragraph 18. As for the expected results and deliverables in paragraph 19, we would like to know what is the timeframe proposed for receiving the results and we would like to delink this with the decision regarding further External Offices. We are ready to cooperate on reaching a decision for this matter. Thank you.

392. Delegation of Algeria: Thank you Mr. Chair. We would like to make some comments with regard to the inputs submitted by some Member States. We did not expect to have the text drafted at this stage. So if this is the case, we would like to suggest that in paragraph 6, page 2, there is reference to whether to expand or contract the network as necessary. We ask to delete this because it is not up to the evaluator to decide and prejudge the decision on the development of the network. We notice that one Member State has introduced some inputs to put into question the utility of the existing network, and we are opposed to this input. We don't support it. We think that the main objective of the evaluation should be to improve the existing network and give a clear objective, concise and relevant apolitical evaluation assessment for the appreciation of the Member States to take informed decisions on the future development of the network. Also, with regard to point D about the objectives, on page 4, there is reference to whether the work of the External Offices applies the priorities. We think that the best way to formulate this is how the work of the External Offices network applies the priorities. Because we do not suppose that this implies a yes or no answer. We need to describe how the network is contributing to the implementation of the Organization's priorities. With regard to point F about the management arrangements, there is reference to an independent organization. We would be interested to know which entity will designate this and which are the criteria that will be used to nominate this independent organization that will conduct the evaluation. At the end of the day, the final decision about the development of the size of the network will be the PBC, which has the sovereignty and prerogatives to decide on this. It can be assisted by other supervisory organs or external independent entities, but any evaluation should not prejudge the decision of Member States on this issue. We have many other issues to raise, and we cannot raise it in the plenary. We feel that maybe it would be appropriate to take this to informals, but we stand ready to participate actively in this discussion to come up with a precise document that can enjoy the consensus to move forward with this Agenda Item. Thank you Chair.

393. Delegation of Russian Federation: Thank you Chair. We are taking the floor as part of a right to reply. We are obliged to take the floor in order to give a general clarification on points raised by two delegations, that is to say comments voiced with reference to two pieces of legislation in Russia in the area of intellectual property. This is not the first time we have heard this and this is something that is out of the agenda of what we are dealing with here. We wish to emphasize that indeed we carefully studied all practice with reference to these legislative acts in our country. In the course of the session on trademarks, industrial designs and geographical indications, we gave all of this information. That was very recent. Indeed, it was on May 30 this year that we gave all the information required. Also in the spirit of openness and transparency, when it comes to IP, we sent to the Secretariat detailed explanations. All of this information was distributed and it is available on the WIPO website. Anyone who wishes to look at this information has the opportunity to do so. If you are interested, you go on the site and you can see the information. We wish again to emphasize in this connection that the legislation is fully in line with the international obligations of the Russian Federation when it comes to intellectual property. We also wish to emphasize that this kind of mechanism is foreseen under international treaties and agreements, for instance our agreement on TRIPS. We also have similar provisions when it comes to parallel imports for instance on licensing, as well as other kinds of legislation along these lines can be found on the statute books of many States. Turning now to the issue of the External Offices, the External Offices of WIPO are an integral part of the architecture of this Organization and the way to structure it. The External Offices act independently of any kind of domestic policy followed by a host country. They do not participate in any kind of standard and are not directly related to enforcement of domestic legislation. The WIPO External Offices are something different. They work in a way that is impartial and unbiased in accordance with the documents that set out the goals of WIPO, the MTSP and the budget as adopted for a biennium. That is what guides them in their work. Also, they respond to the requirements and needs of the Organization and that is certainly what happens in the Moscow Office. We are making this statement as part of a right to reply, and we reserve our right to return to speak on other items later in the course of this afternoon's meeting, thank you.

394. Delegation of Armenia: Thank you, Chair. We believe that the effective functioning of WIPO External Offices is an essential tool for achieving WIPO's goals in promoting global IP services in various regions of the world. They perform their functions independently and impartially under the governing documents including the mandate and objectives of WIPO, the Medium-Term Strategic Plan, the Program of Work and Budget. Their evaluation should be conducted in an unbiased manner and should not be politicized. The External Offices are an integral part of WIPO and have no bearing on host states' decisions. Armenia has a history of effective collaboration with the WIPO External Offices, including the Office located in Moscow. As we mentioned on numerous occasions, as in other countries of our region as well, a big number of businesses are functioning in Russia, hence the cooperation with the office in Moscow and well as the input of the Russian language in the various systems functioning and operating under the auspices of WIPO is important for us. Thank you.

395. Delegation of Syrian Arab Republic: The External Offices play a key role in interacting and developing IP offices. EOs are instrumental in interacting with academia, business communities and users of international registration systems. EOs contribute to the accession of hosting countries to the international treaties administered by WIPO, and support guiding the protection of IP rights. In this context, we must emphasize that the EO performs its functions impartially and independently in accordance with WIPO guidelines, the Program of Work and Budget for the biennium, the Medium-Term Strategic Plan and to the objectives and mandate of WIPO. The EOs should not be associated with the implementation of decisions or national legislative acts of hosting countries, plus the EOs offer a balanced and efficient IP systems and the efficiencies of the Offices are measured by positive statistics concerning the number of international applications filed by domestic and foreign applicants. That is why the Terms of Reference should not include the performance indicators not expected to be met by EOs, because the indicators are already contained in the mentioned document approved by Member States. The process of evaluation must be carried out by the Internal Oversight Division and this process must be conducted without politicization and should take into account the whole network of EOs, and not focusing on a single External Office. Thank you, Mr. Chair.

396. Delegation of Kazakhstan: Thank you, Chair, for giving me the floor. On behalf of the Republic of Kazakhstan, we thank the Secretariat for the detailed document and we note the adoption of the revised WIPO language policy, as well as the Organization's efforts to promote multilingualism. Due to historical circumstances in central Asia and Western European countries, the Russian language remains a tool of the interethnic communication, therefore a large proportion of applicants largely use them to obtain necessary information. In this regard, Kazakhstan supports and looks forward to progress on the issue of extending the language regimes in the Madrid and Hague international registration systems. Considering that Member States have presented various options for the evaluation and methodology, organizational and management aspects, it remains important to pay due attention to the task and further development of the external bureaus and increasing their role in the regions. We would also like to emphasize that the WIPO network of External Offices functions effectively and constitutes an important tool for achieving the objectives of the Organization and promoting global services in the different regions of the world. As an integral part of WIPO's structure, External Offices play a key role in engaging with national IP offices, the academies, business communities, and applicants from those countries and regions, including users of international registration systems. The External Offices contribute significantly to the accession of these countries, to the international treaties administered by WIPO. In addition, the Offices provide comprehensive assistance and support to both national and foreign applicants, including potential users of the international registration systems and global IP services. As an integral part of WIPO, the External Offices, including the WIPO Office in the Russian Federation, work independently without external influence of the whole state. They perform their functions independently and impartially in accordance with the governing documents, including the WIPO mandate and goals, the Medium-Term Strategic Plan and the Program of Work and Budget. We see the value of the work of such Offices and believe that their uninterrupted work is crucial for

delivering on the Organization's mandate. In addition, we want to add that the delegations refrain from politicizing the process and the General Assembly instructed the PBC to discuss the draft mandate for evaluating the network of all external bureaus, rather than discussing one specific bureau. In this regard, I thank the Secretariat for the preparation of this meeting and providing us with the relevant documents and we look forward to further fruitful cooperation with WIPO in developing traditional and new areas of cooperation. Thank you, Chair.

397. Delegation of Iran (Islamic Republic of): Thank you, Mr. Chair for giving the floor to me. First of all, my Delegation would like to thank the WIPO Secretariat for compiling the provision of the Preliminary Draft of the Terms of Reference for Evaluation of WIPO External Offices, which is based on the inputs from Member States as contained in document WO/PBC/34/15. My Delegation would also like to thank the Deputy Director General, Regional and National Development Sector for his opening remarks. We firmly believe that the preparation of Terms of Reference for the Evaluation of the WIPO External Offices should be purely a technical exercise and the TOR should be drafted based on the principles of transparency, objectivity, non-selectivity, and non-politicization, otherwise it would be counter-productive. My Delegation also believes that the Terms of Reference should be prepared in a manner that its purpose, function and mandate be defined clearly, and precisely, in order to prevent any divergent interpretation in the future. As my country, Iran is one of the applicant countries for housing a WIPO External Office, my Delegation expressed its views on the Terms of Reference in the document WO/PBC/33/13/Add. We consider the Guiding Principles of the WIPO External Offices to be the main document in this regard, which was adopted by the General Assembly in 2015. One of the core functions of the External Offices is to deliver technical assistance and capacity building activities. Hence, according to paragraph 14 of the Guiding Principles, in establishing new External Offices, due consideration should be given to the development aspects. Furthermore, paragraph 13 of the Guiding Principles stipulated that any decision in this regard should be made according to the principles of a sustainable, equitable and efficient geographical network of the location of the prospective External Offices. Mr. Chair, we believe that evaluation by an independent external evaluator is an appropriate option, as auditors mostly deal with financial issues, but the evaluation of the WIPO External Offices is not a financial matter, *per se*, and involved to a greater extent the function and overall role of the External Offices. Therefore, we reiterate our proposal in setting up a committee comprising of three or five independent external evaluators, for instance, one from the United Nations Evaluation Group, and others from similar institutions, for evaluation. Thank you, Mr. Chair.

398. Delegation of Pakistan: Thank you very much, Mr. Chair. We are happy to note the substantial engagement of various Member States on the preliminary draft, and I think this is what the idea is of a dedicated focus. We agree that this matter should proceed in a technical manner. So the idea is to streamline this document as also indicated by many other delegations. Therefore, we propose that we proceed section-by-section and paragraph by paragraph in order to reflect the proposals made by my Delegation and others, with the objective of probably issuing a revised document tomorrow. Thank you.

399. Delegation of Russian Federation: Thank you, Chair. We are addressing the document before us for discussion. We are happy to note the effective functioning of the network of External Offices at WIPO. We are convinced that the External Offices are important instruments for achieving the goals of this Organization, and advancing the global IP services that can be provided for different regions of the world. The External Offices have had an important role to play in interaction with national departments working on IP, also in academic circles as well as applicants from the countries and regions concerned, including users of the international registration system. We thank the Secretariat for having prepared this draft Terms of Reference. We see that in this document, as it stands right now, we have a compilation of proposals from Member States, including proposals from the CACEEC Group. These were the proposals that in fact were supported when they were put forward at the last session. We note that in fact everyone agrees that the Guiding Principles are particularly important, however a

number of delegations have noted the importance also of the Medium-Term Strategic Plan and the Program of Work and Budget of the Organization. All of these have already been discussed and agreed upon by all Member States. We therefore believe in principle that the indicators contained therein would be a very good benchmark for any kind of auditing to be conducted. We urge some countries to stop trying to manipulate this process and to refrain from any politicization of what is a purely technical issue. We wish to recall the fact that the General Assembly instructed the PBC to discuss the draft Terms of Reference for the WIPO External Offices, that is to say for the whole network, not any particular one. There was no singling out whatsoever. We therefore believe that when we look at the Terms of Reference, we cannot retrospectively include some kind of criteria of effectiveness, which in fact does not reflect the way the External Offices actually operate. We believe we should include only the indicators that are already contained within the documents I have mentioned previously. That is to say the documents already approved by Member States. The Guiding Principles do not foresee these particular effectiveness criteria. Therefore, we believe that the criteria to be adopted should be those that already exist within normative standard-setting documents that are already in force. What is important is that when evaluating the External Offices, we take into account the special aspects of the particular situation, and the country and regional priorities involved. As for the textual proposals that we have here on the Secretariat's document, here we thank the Secretariat for having reflected a number of proposals that were put forward including by our Group, the CACEEC Group, alongside proposals from others, and proposals that were supported by other States also. We have quite a long list of comments actually. I do not want to hold up the work at this stage by going through them all and reading them all out. We will hand them in, in writing, to the Secretariat, and we would like to hear what kind of procedure you intend to follow as we take this work forward, that is to say working on this text. A number of proposals have been put forward. We have had many different proposals from different Member States, and we would like to know what kind of procedure you would like to follow, what format we will work in. We think that this would be very useful. We have had some people talk about informal consultations, others talking about going through this paragraph by paragraph. We need to know exactly how we are going to work, so how do you envision taking this work forward? Thank you.

400. Chair: I thank the distinguished Delegation of the Russian Federation for their detailed comments. Let me try to sum up as I see, and my summation might not be perfect, but I have seen that most of us have found that the compilation that has been put up by the Secretariat is a good one. It is a good effort to put together all the proposals received from the Member States. What I have also heard is that this long compilation does not lend itself to Member States engaging in detailed negotiations. There is also a view that this particular draft can be looked at paragraph by paragraph, and we can see whether we can reach at the end of the process, an agreed text. There are divergences in the Member States views in terms of the Terms of Reference for evaluation. It is very obvious that having expressed our views, and having stated our positions, we as Member States need to now move forward and try to see that we should have a document which does not satisfy all of us, we cannot have all our reasons reflected there, at the same time, a kind of document that we can live with. With that goal in mind, we have two ways to move forward. We conclude this formal plenary and move into informal plenary, where we have suggestions of Member States taken on board. If they want to go paragraph by paragraph, we can. At the end of the process, we see if it provides a good basis for continuing our deliberations. The second approach could be that we engage in informal consultations. However, the compilation which we have, in my view does not lead to informal consultations because then we would need a more precise draft which actually looks like Terms of Reference, and the Member States then informally can reflect on them. If they want they can go back to their authorities to take a look and come back with comments. That would help in streamlining our discussions. So I'm in the hands of Member States. We can follow first the process of informal plenary and if we find that the process is unlikely to lead us to the goal, then we can change the course and go for a more streamlined, as one delegation suggested, simplified version of what we had which could form the basis of our deliberations

later. My proposal at this stage would be to move into an informal plenary and try to look at whether the comments and suggestions by Member States would be taking us to the destination that we want to reach. Let us always remember that what we are looking at is merely Terms of Reference. Let us not try to prejudge how the evaluation process will unfold and what kind of outcome it will lead to. We will have to put trust in the evaluators which we are going to decide who should be evaluating, and we should have to put our trust in the Terms of Reference, which would guide the evaluators to make the decision. So at this stage, let us focus our energies on drafting Terms of Reference. We have had long discussions, and I think almost all the delegations have had the opportunity at different stages of the process to express their views. Having heard all those views and having had the opportunity to express our views, we now need to be more focused and try to see whether the current draft is something we can work on or do we need a more streamlined version. In my view, it would be easier for the Committee if we had a streamlined version which lends itself to more focused discussion. Since Member States have also expressed a desire that we can take a look in the beginning at the document that we have from the Secretariat, we can start the process of that. So if I don't see any objections at this stage, let us reconvene to an informal plenary, and I will close this formal plenary. There is a request for the floor from the Russian Federation. You have the floor.

401. Delegation of the Russian Federation: Thank you very much Chair. We wholeheartedly support your active approach and will be ready to move to informal consultations, but we want to clarify a couple of technical points. Firstly, a number of countries have put forward specific textual proposals, and from what we said, we understand that they intend to send them in writing. Therefore, before we start the informal consultations, we would ask informally that you disseminate those textual proposals, just so we can look at them. It might take 15 minutes to do that. Another point, we also noted that we too will be sending comments to the Secretariat, and we would invite the Secretariat to please circulate the written information we have provided. My third point, when it comes to the COVID restrictions for informal consultations, can we simply say that we will have these consultations without any kind of COVID restrictions? I remember what happened in the past, we had the informals in this room because of the COVID restrictions. Is that what we are going to do again? Thank you.

402. Chair: I thank the Delegation of Russian Federation for its valuable comments. As I have been informed by the Secretariat, we can meet as a plenary informally here, so that we will not have to shift to any other room. In order to facilitate the discussions in the informal plenary, I think there is a point in requesting the delegations to provide whatever amendments they would like to be made in the draft prepared by the Secretariat to the Secretariat so we could have those amendments reflected. Once we start the informal plenary after a break, we will have the text together with the concrete suggestions made by Member States in different paragraphs of the draft. On that basis, at this stage, I would like to request all the delegations who have any suggestions to offer on the text to provide those texts to the Secretariat at this stage and then reconvene after 30 minutes in an informal plenary and we look at the text that is compiled. We can go paragraph by paragraph if the delegation so desires. There was a request for the floor from the United States of America. You have the floor.

403. Delegation of the United States of America: Thank you Mr. Chair. I believe this Committee asked for Member States to provide comments for a couple of years now. We provided those comments before in written form. To provide comments now in writing will take us much longer than 30 minutes because we do have comments on every element of the Terms of Reference, but we don't necessarily want to revise the existing text because as you said before, these are compilations of Member States' thoughts and subjects which do not look like Terms of Reference for the evaluation team. So we don't believe that this process is going to lead us anywhere especially with us now preparing written comments on multiple topics on this document. That is going to take a very long time, so we are not going to object to informal consultations in whatever format you prefer, either here or in a different room, but we are not comfortable with this suggestion in the next 30 minutes to provide comments or textual

suggestions on each and every element. We have done this exercise before, and now we are past that I think. We just need to discuss the elements as we have been doing since this morning. Thank you.

404. Chair: I thank the Delegation of the United States of America for their comment. I would like to rephrase what I said. Perhaps I was misunderstood. The request was not to resubmit the proposals that you have already submitted because as you rightly pointed out, there is before us a compilation prepared by the Secretariat in a format that they deemed appropriate. What I intended to ask delegations that on the draft that we have, and since we had heard from the floor some delegations making specific comments on some of the paragraphs, my intention was to ask the delegations to provide specific comments, not going back to the original submissions which they would have made because that would save us time. Instead of every delegation looking at the text and trying to correct from the floor, if those suggestions are reflected in the text, to that extent it makes our work easier to proceed. That is what my intention was. I do not want delegations to go back to their original proposals, which they had made during the course of various discussions. My request is for specific comments on the draft we have before us and if you believe that 30 minutes is not enough, perhaps we can extend that to a little more than that, 45 minutes or an hour. We have again a request for the floor from United States of America, followed by Pakistan.

405. Delegation of the United States of America: Thank you Mr. Chair for giving me the floor again. I still think it is unreasonable for us to compile these comments to prepare to discuss. We are not prepared to submit that in writing on very short notice. We can perhaps do it before the next session of the Committee and continue working then, but it does require more than 30 minutes or one hour to compile all the comments we have. We are ready to participate in discussions, but we are not ready to submit a formal document. As long as we can participate in discussions, we are fine with others doing that, submitting written comments, but any participation should not be limited in our view to the comments that delegations are willing to submit. We reserve the right to participate equally in this discussion, based on the oral comments that we are going to make. Thank you.

406. Chair: Actually, it presupposes what you had said, that some of the delegations which had offered comments from the floor would have the opportunity to submit them in writing. That was just to facilitate the textual consideration by the Member States, but that entire text would be open for all Member States to modify, add, subtract whatever they would like to do with that, it is your text, as the Chair, I am in your hands. Before I proceed further, I would like to offer the floor to the delegation of Pakistan.

407. Delegation of Pakistan: Thank you very much, Chair. We will take the floor at a later stage. Thank you.

408. Delegation of the Russian Federation: Chair, thank you, we can be very brief. We would like fully to support your previous proposal as to how we organize informal consultations and the modality of these consultation. We fully share your style of work and we would also like to recall the fact that at the previous session, the proposals from Member States, that is to say in accordance with the decision taken by a previous session of this Committee, were compiled by the Secretariat. That is what happened. So at that time, we gave a particular timeframe to the Secretariat, six months before the beginning of this session. We told the Secretariat that they had to provide a compilation in that time, and this document WO/PBC/34/15 was indeed appropriately provided, and it was actually available at the end of last year, on the 24th December last year. That means that Member States have had six months. They have the sovereign right for the six months to study the document and make comments. At the plenary a number of delegates have said that they do have comments and it is the sovereign right of each and every Member State here to make comments, but when they have comments on this document WO/PBC/34/15, they have every right to make those comments. Thank you.

409. Chair: I thank the Delegation of the Russian Federation for its comments. It is a fact that the document was available to us since December 2021. Delegations have had enough time to look at the document and think about their perspectives and how they would like the document to be taken forward. Now, as I said in the beginning, it is our responsibility, and let us remember that as a Committee, we are a limited member committee, but there are 140 other members of WIPO sitting outside this room who have their expectations from us, representing the entire membership, that we would be able to finalize the Terms of Reference. So we need to move forward and I request cooperation from delegations, whether you would like to submit your suggestions in writing at this stage, or you would like to make them on the floor, it is open to us. The purpose behind my suggestion was to streamline the considerations and the suggestion by Member States. If we have something available in writing which we can reflect on the screen, then it becomes easy for all other delegations to look at those texts. If we make suggestions from the floor, to that extent, then it is difficult for other Member States look at those texts to consider them. That slows down the process. That is why I feel that Member States should take this opportunity, look at the text that they have before them and be very objective and minimalist on your expectations, because if we all want our best phrases, our best ideas, we would love them to be there, we are not going to reach it. We have enough experience of multilateral processes, we know that is not the best way forward. We can turn the document into a Christmas tree or we can be objective in our comments and suggestions and try to live with whatever is there unless we feel very strongly about a particular reference there, which we would like to be deleted. This is a process of negotiations so if 30 minutes is not enough, we can have an hour, we can convene at 5p.m. in an informal plenary and we can start looking at the draft that we have before us, paragraph by paragraph. Meanwhile if interested delegations would like to offer any comments on the text, it is open to them. Those who cannot, will not be able to, they can make the suggestions from the floor. So, with this, I would like to close this formal plenary, and I propose that we convene at 5p.m. in an informal plenary, where we will be able to engage in more detailed discussion.

410. Chair: Welcome, distinguished Member States. We are in the final plenary session. We will begin by consideration of the decision under agenda item 17. For the benefit of the delegates I will read out the decision.

The Program and Budget Committee (PBC):

- considered in detail, the preliminary draft of the Terms of Reference for the Evaluation of WIPO's External Evaluation (document WO/PBC/34/15). The amendments proposed thereto are contained in the document annexed to this decision;

- decided to continue the discussion on the draft Terms of Reference, contained in the document annexed to this decision, at its 35th session.

This is a factual decision under this agenda item. I request the indulgence of the Committee for its concurrence. May I take that the Committee agrees to this decision? Are there any requests for the floor? Yes, there is a request for the floor from the Russian Federation, you have the floor.

411. Delegation of the Russian Federation: Thank you very much, Chair. As we voiced in the course of the informal consultations, on the final preliminary draft or version that we have as a result of the documentations, we are going to need 15 minutes to study the document in order to be absolutely sure that all the positions were correctly reflected, we said that earlier. Unfortunately, we did not have that short period of time to study the text, so until we have it we are not ready to adopt this text. That is the first point. Could we have at least a little more time to study the final version or the version we have thus far? Another point, in the course in the informal consultations, we felt there were some basic modalities that have to be followed in terms of the place they were held such as having interpretation into all six languages, and so

on, and also, the principles of inclusivity and transparency have to be respected. At the request of the Member States also, we called for circulation of text and appropriate commentary for the Secretariat. I would therefore urge that we have a little more time please, thank you.

412. Chair: I thank you for your request. The text was indeed circulated. Let us look at the fact that this text will be available with Member States, because we are not going to at this stage add upon the text which will be annexed to this decision. This decision simply makes reference to the fact that there is a text being annexed to it which would reflect the points made by all the Member States. We have gone through the entire text when it was displayed before us. We went paragraph by paragraph. So let us put the trust in the Secretariat, and in any case, when the Committee reconvenes in its 35th session, the entire text will be available with Member States and they will have months and months to scrutinize if our concerns were reflected in the document. And if not, we will have the opportunity at the next session to look at the text in its entirety. It is just an annex. We are not going to take a decision on that text. So I don't see any reason why we should hold on the decision at this stage for us to be able to read the entire text that is the text will be open for Member States to read, to understand, to review, and then when the Committee reconvenes, to express their opinion, because it is just a version of the document which we have before us. We have a request for the floor from Canada. You have the floor.

413. Delegation of Canada: Thank you, Mr. Chair. Canada has proposed a slight revision, so I believe the text should read "Terms of Reference for the Evaluation of WIPO's External Offices" rather than "External Evaluation". Thank you.

414. Chair: That was a major error, thank you very much for pointing out. It means we are all very tired here. I now give the floor to the Delegation of the Russian Federation, followed by Pakistan.

415. Delegation of the Russian Federation: Thank you very much Chair. We would like to recall that the underlying principle of our work is the principle of consensus and if at least one Member State says that they need a little time, just a little time, we are talking about 10-15 minutes to read through a text, then I do think it is rather dubious to call for trust in someone in that context. I am someone who is a person with legal training and I have trust in written texts and I need to see them, and my colleagues in capital have not yet been able to read the text through and they do not have the kind of expert knowledge they would need for abbreviation or to just to read and scan through it. This is a very important draft for us, it can include some very important amendments. For instance, Canada has just pointed out a significant mistake that nobody had noticed and could have been adopted if we had not had the Delegate from Canada. So we are asking for just a little more time please.

416. Delegation of Pakistan: Thank you Chair, I want to confirm whether this is a formal or informal session?

417. Chair: It is a formal plenary, as said that at the beginning of this plenary.

418. Delegation of Pakistan: Apologies Chair, for not paying attention earlier. We are operating on the assumption that everything in the draft is in brackets?

419. Chair: Absolutely. We have not decided on anything.

420. Delegation of Pakistan: If that is the case, then I think it is a good thing and we have made a lot of progress. We are referring to the plenary draft annex document number, we are also annexing the amendments proposed with the decision, so in that context, we can go along with it. Thank you.

421. Chair: I again seek the indulgence of all Member States and I again restate the point that as the Delegation of Pakistan pointed out, everything that is in the annex is in whatever bracket you want to call it, square brackets let us call them, which means we have not agreed on anything. This is a document which you would consider for the next session of the Committee. We are not adopting any decision here except in relation to the annex except saying that the particular document is in an annex to this decision. That is why Member States will have ample opportunity to read through the entire text understanding its entirety and in fact, I would expect that some of the Member States might like to go back on the proposals they have made, rethinking about them in the interest of reaching consensus of the entire document. It will be open for Member States to dissect it, do whatever they want to do with it, and let us not be on hold at this stage in consideration this decision, because we have already been told by the interpreters that there is a time limit within which we have to conclude this meeting and it is in our collective interest that we conclude our work. We have done very important work. We have taken some important decisions. Therefore I would like to appeal to the Russian Federation. You will have ample opportunity to read the text and then come back to the next session and make the point that something which you have said is not reflected correctly, take the floor, make that point again. Everything is in square brackets. We are not going to adopt anything here. The only thing which is being said in the decision is that the amendments proposed thereto are contained in the document annexed to this decision. No Member States will be precluded from either reiterating their amendments, taking them back, making more amendments in the future session. So everything is open. I now offer the floor to the delegation of Russian Federation.

422. Delegation of the Russian Federation: Chair, we very much hope that your aim here is not to create a precedent, this would not be something that would be required for WIPO practice. Certainly, it would be an unnecessary precedent. We very much hope that at present and in future, the fundamental principle for adopting decisions will remain the principle of consensus that is so dear to us here. On the basis of a spirit of wishing to be constructive and in response to your request, I would say that we are not ignoring the position of one country, but we would ask that in bullet point 1 or the first point, we have the full name of the document referred to here. The document in question is Terms of Reference of the 2021 Evaluation and that is missing, 2021. So in fact this is not the precise name of the document. It is WIPO External Offices, no "s" after WIPO, WIPO External Offices, I don't know where this name came from. We want the full title of the document we are discussing here as given in the document itself. We should say the full title is "Terms of Reference 2021 Evaluation of WIPO External Offices. So 2021 evaluation should be taken out. We need to have the correct title. The text that was circulated 10 minutes ago, you said everything in that text is in square brackets. So we just open it and we see that we don't have square brackets, for instance around the first paragraph. We now ask that the whole text to be bracketed and that everything in this text we put in square brackets. You have said that is indeed the case. Thank you.

423. Chair: I thank the Delegation from the Russian Federation. Yes indeed, because we always work on the basis of consensus unless everything is agreed nothing is agreed and the presumption is true for any negotiation process. But to make sure that it is recorded, we request the Secretariat to put square brackets from the top to the end of the document. With that amendment, and the amendment from the Russian Federation on the title, may I request the Committee to give its concurrence on the decision of Agenda Item 17. There is a request for the floor from Algeria.

424. Delegation of Algeria: Thank you, Mr. Chair. Our understanding is the annexes have not yet been dealt with. We should add that in the second paragraph, "continued this discussion on the draft Terms of Reference and its annexes contained in the document." With this proposal we can hand our support to the decision paragraph. Thank you.

425. Delegation of the Russian Federation: Thank you Chair. I am quite happy to think back to my previous legal training and practice and I would invite the Secretariat to be correct in citing the whole name of the document in the first paragraph, and if we are going to have this accurately, it is "Terms of Reference of the 2021 evaluation" with "for the" being deleted. Now, as I understand it, the request that has been made, I would like to hear the Legal Counsel's view on this. The request that has been made amounts to this, when we cite the full name in the first paragraph and when we give a reference to the document's official number, then what we mean is the part that we managed to discuss, that is to say the body of the text and the annexes. In my legal view, and that may not be sufficient for international law in this area, but in my legal practice when we give the title and the reference of a document in the first subparagraph of a decision, then in the second subparagraph we are clearly referring to the full text including the annexes. That being so, we think it is superfluous to include the wording proposed here in the second subparagraph, and we would like to hear the view of the Legal Counsel on this. Thank you.

426. Secretariat: Thank you, Mr. Chair. With respect to the request from the Russian Delegation, indeed when we name the entire document, including its annexes which are the integral component of the document, while it is not absolutely necessary to mention the annex, it is not fatal to that provision, so it can be mentioned.

427. Delegation of the Russian Federation: As you see Chair, we have not yet achieved consensus on the proposed text. The Russian Federation once again asks for 10 minutes in order to agree on the final version of this draft. Thank you.

428. Chair: I think I had explained, I think, the Chair's position a number of times, but in the interest of going forward, let us have a 10 minute break. Though I still continue to believe that it is not essential to taking this decision, and yet we need consensus in this room. Otherwise, I am in the hands of Member States. If you want this meeting to remain inconclusive, so be it. It is 5:34p.m. We come back exactly at 5:44p.m. and immediately try to adopt this decision. We still have to have the final closing ceremony.

429. Chair: I welcome back the Member States immediately after the break. I again propose to the Committee to adopt the decision under this Agenda Item, which I had already read out to you which stands amended by a few delegations. I see no request for floor.

430. The Program and Budget Committee (PBC):

- considered, in detail, the Preliminary Draft of the Terms of Reference of the 2021 Evaluation of WIPO External Offices (document WO/PBC/34/15). The amendments proposed thereto are contained in the document annexed to this decision;
- decided to continue the discussion on the draft Terms of Reference and its Annexes, contained in the document annexed to this decision, at its 35th session.

ITEM 18 METHODOLOGY FOR ALLOCATION OF INCOME AND EXPENDITURE BY UNION

431. Discussions were based on documents A/59/10, A/59/11 and A/59/INF/6.

432. Chair: Following previous discussions on the Methodology for Allocation of Income and Expenditure by Union, there are three documents under consideration: document A/59/10:

Decision Paragraphs Proposed by the United States Of America for Inclusion in Decisions on the Report on the Program and Budget Committee; document A/59/11: Proposal of Switzerland Concerning the Agenda Item "Report on the Program and Budget Committee; and document A/59/INF/6: Background Information Submitted by the United States of America for Consideration in Adopting the Proposed Program and Budget for the 2020/21 Biennium, as Recommended by the Secretariat. The Program and Budget Committee took note of the interventions and decided to continue the discussion on the methodology for allocation of income and expenditure by Union at the 33rd session of the PBC. At the 33rd session of the PBC, "the Program and Budget Committee (PBC) decided to continue the discussion on the methodology for the allocation of income and expenditure by Union at the 34th session of the PBC." This current session of the PBC is therefore required to consider those documents again. The floor is open for debate on this Agenda Item in the context of the relevant documents. I do not see any request for the floor on this Agenda Item. There is a request from the Delegation of the United States of America to take the floor. It was much anticipated. You have the floor.

433. Delegation of the United States of America: Thank you Chair. Over the years, in discussions on the budget allocation methodology we have found some common ground. It is clear that all Members support transparency in the budgets of all the Unions. Members support the principle that fee-funded unions that are in deficit should address their deficits. That was included in past WIPO Assembly decisions. However, WIPO's budget methodology has encouraged an overreliance on a single system, the PCT system, at the expense of developing the health of WIPO's other fee-funded systems and their ability to contribute to the overall Organization. This has enabled WIPO fee-funded Unions with deficits to remain in deficits and take no action. We note that in the WIPO Performance Report for 2020/21, the PCT System funded close to 90 per cent of the Organization's actual indirect administrative expenditures and the Madrid System funded 10 per cent with the other three Unions contributing less than one percent combined. The overall operating result of 207 million CHF was comprised of positive operating results from PCT and Madrid of 236 million CHF less operating losses of 29 million CHF from the remaining Unions. The United States strongly believes that WIPO's financial outlook should not be dependent on a single system to support the bulk of the entire Organization single-handedly. The Lisbon Union is the only Union that contributed no revenue during the financial period of 2020-21. Its losses more than doubled from 1.66 million CHF from 2018-19 to 3.5 million CHF in 2020-2021. These losses accumulate over time and weaken the consolidated overall net asset position of the Organization. We believe this is financially irresponsible to continue to ignore the problem of growing losses in the Union. We would like to suggest that some of the surplus funding be allocated towards an independent study on the Lisbon Union to determine if there are any measures that can be taken to achieve financial stability and avoid the ongoing financial harm that is being done to the Organization. We continue to maintain that WIPO Members can agree to adjustments that will bring more balance among the fee-funded unions in the longer-term and compliance with the treaty obligations of all Union numbers. Further, in response to the claims of increased promotion of systems that would offset the deficits of certain unions, the US does not support the view and it is vital that Unions focus on sustainability beyond promotion. Thank you Chair.

434. Delegation of Switzerland: Thank you Chair. The Delegation of Switzerland wishes to remind you that during the WIPO Assemblies in 2019, Switzerland submitted a proposal A/59/11 in order to find a long-term solution, which was simple and transparent to a question of concern to Member States for a long time now. In fact, we note that generally speaking, the financial situation of the Organization is sound, even during the pandemic. The Program and Budget in the last few years has been balanced. The results-based management system is working and the methodology of allocating expenditure has proven its worth for more than 25 years now. Despite that, however, this methodology is systematically called into question, and this for seven years now. As far as we are concerned, these discussions have taken up a great deal of time and energy from Member States in an attempt to solve a non-existent problem. What is

even worse is that during budget years, these discussions always call into question the Program and Budget although the financial situation as we have said is a healthy one. For these reasons, Switzerland suggests that we find a long-term solution to this systemic discussion by formally acknowledging the relevance of the methodology for income and expenditure allocation. Briefly, we wish to remind you of the two points in our proposal A/59/11. The first point consists in maintaining the current method in the P&B which has been in use for many previous biennia and which is a pragmatic and adequate approach for WIPO. The second point in our proposal results from the first one and consists in making the principle of the current methodology for allocation permanent as it has been applied for many years while solving the systemic issues that have led to the sterile discussions which we have been faced with for the last seven years. To obtain more details on this proposal we refer you to the details and explanations given by Switzerland at the 2019 Assemblies. Thank you.

435. Delegation of the Russian Federation: Thank you very much, Chair. Our delegation thinks that the principles of capacity-to-pay have proven to be effective. We note that WIPO has a difficult organizational structure. In essence, under its umbrella it encompasses several independent Unions. We underscore that the Lisbon System is still in its development stage and placing any additional burdens and obligations upon the Lisbon System may have a negative impact of its attractiveness for new members. We deem that a revision of the current methodology will lead to a disintegration of the established, effective work of the intellectual property international registration systems on a global scale. We feel that in the context of uncertainty, caused by the COVID-19 pandemic and its consequences, the application of financial solidarity between Unions of WIPO will help to have a more stable functioning of all of the Unions of WIPO. Thank you.

436. Delegation of France: Thank you, Mr. Chair. France wishes to support the Swiss statement. France welcomes the new legal framework for the Lisbon Agreement which has been applied during the biennium 2020/21. It is worth recalling that it entered into force and makes it possible to deal with the positive financial outcome of the Lisbon System. While repeating its budgetary solidarity, France carefully studies every possibility of improving the functioning of this Union. France wishes to remind you that WIPO has the mission of developing all forms of intellectual property, artificial intelligence, the protection of trademarks, patents, but also geographical indications. Geographical indications represent essential elements of our cultural legacy and consolidate our cultural heritage. They help small and medium-sized enterprises to make use of their skills, which are linked with their territory. This is why France welcomes the changes in the last few months that have contributed to the strengthening of the Lisbon System. Thank you.

437. Delegation of Italy: Thank you, Chair. We want to associate ourselves with the statements made by France and Switzerland. We think that budgetary solidarity is compulsory, especially now in consideration of the pandemic. Thank you very much.

438. Delegation of Slovakia: Thank you, Mr. Chair. The CEBS Group would like to reiterate our long-standing position regarding the proposals to change the methodology for allocation of income and expenditure by Union. We believe the current allocation methodology reflects the principle of solidarity between the different Unions and therefore it does not require any change and should remain as it stands. Over the years, the existing allocation methodology proved to be efficient and supported WIPO in achieving its goals. We would like to stress that to follow the current methodology is the best solution and a pragmatic approach that should be taken into account. Thank you very much.

439. Delegation of Iran (Islamic Republic of): Thank you, Mr. Chair. Geographical indications, appellations of origin are IP rights, as in the case of copyright, trademarks, patents and designs. WIPO is committed to promote the protection of all kinds and types of IP, including geographical indications and appellations of origin. Accordingly, we believe that equal prominence should be

given to all international registration systems at WIPO. We believe that the Lisbon Union is making progress with the accession of new Member States to the Geneva Act. We firmly believe that the current budgetary methodology is the best one to serve the mandate of the Lisbon Union, and we are not in a position to accept any changes to the current methodology of the Lisbon Union. Thank you.

440. Chair: I thank the distinguished Delegate of Iran (Islamic Republic of) for his statement. I will wait for a moment before saying there are no more requests for the floor. I can say with more certainty now that at this moment, there are no more requests for the floor. There is no decision proposed to be taken by the Committee at this stage unless the interested delegations would like to propose a decision after consultation among themselves. What I have noticed is that there are completely divergent views on this issue. Therefore, perhaps the Committee could consider continuing the discussion on this issue in the forthcoming session of the Committee. If there is agreement on this proposal that we continue the discussions during the next session, then I will request the Secretariat to draft a decision and we can consider that after a few moments. I request your indulgence for a few moments. This is a perfect example of WIPO efficiency. We have the decision before us after a few moments. I will read it out for you. "The Program and Budget Committee (PBC) decided to continue the discussion on the methodology for the allocation of income and expenditure by Union at the 35th session of the PBC." May I conclude that Members of the PBC are agreeable to this decision point? There is a request from the floor from the United States of America. You have the floor.

441. Delegation of the United States of America: Thank you very much, Chair. We agree to this language. However, in our intervention, we did make a suggestion that some of the surplus funding be allocated towards an independent expert study of the Lisbon Union to determine if there is any measures that can be taken to achieve financial sustainability. I believe I did not hear any objection to that from other delegations who intervened, so this was something that we proposed to be included in the decision to reflect this request for an independent study, if the other Member States agree to it. Thank you very much, Chair.

442. Delegation of France: Thank you, Chair. France would like more time to think about the proposal from the United States of America. I wonder if we could have a short break to discuss this.

443. Delegation of the Russian Federation: We agree to have a technical break to discuss the formulation of the decision under this Agenda Item. We would like to see at least the proposal on the screen, so that we can discuss it, would that be possible?

444. Delegation of Switzerland: Thank you very much Chair. We would also like to request a technical break to have a good think about the proposal put forward by the United States of America. Thank you.

445. Chair: May I request the Delegation of the United States of America to send to the Secretariat the exact language they would like to be included in the decision. Please do so. We will have a technical break of 10 minutes.

446. Chair: We have received the proposal made by the United States of America. It will now be displayed on the screen. I would like to request all the delegations to take a close look at the decision points proposed there. We will have another technical break for 10 minutes, and then we will come back to consider the decision. This 10 minute break is to allow delegations to consult among themselves if they would like to. (Text displayed on the screen):

The Program and Budget Committee (PBC) decided to continue the discussion on the methodology for the allocation of income and expenditure by Union at the 35th session of the PBC.

The Committee requests to conduct an independent expert study of the Lisbon Union to determine if there are any measures that can be taken to achieve financial sustainability, using surplus funding.

447. Chair: Let us resume after our technical break. We have before us two decision points. The first one I have already read out to you. The second one has been proposed by the United States of America with an amendment by the Secretariat. The decision point is “the Committee requests to conduct an independent expert study of the Lisbon Union to determine if there are any measures that can be taken to achieve financial sustainability, using available resources.” I would like to open the floor for any comments by delegations. We have a request for the floor from the Delegation of Switzerland. You have the floor.

448. Delegation of Switzerland: Thank you very much, Chair. We would like to thank the United States of America for their proposal. Switzerland is not however ready to accept that proposal. In our view, there are no financial issues within WIPO, including within the Lisbon System. The current methodology for the allocation of income and expenditure is functioning rather well. Therefore, we do not see any need to have a study that has been proposed by the United States of America. We are ready to discuss our proposal of the unified budget at the next session of the PBC. To this end, we ask the Secretariat to present an information document to the Member States, during the 35th session of the PBC to indicate what, if necessary, would be the adaptations that must be made to the relevant WIPO treaties in order to formally introduce a unified budget in WIPO in order to simplify the management of budgetary issues. Thank you, Chair.

449. Delegation of France: Thank you, Chair. We support the declaration that has been made by Switzerland. We do not see the need to add the last sentence, and so, we are not in favor of keeping it. We support the request to conduct a study that was suggested by Switzerland to look at the issues amongst the Unions, thank you.

450. Delegation of Iran (Islamic Republic of): Thank you Chair for giving me the floor. My Delegation supports the position taken by Switzerland and France, and there is no need to conduct a study on this issue, and we also do not support the proposal by the United States of America. Thank you.

451. Delegation of Germany: Thank you very much, Chair. We just wanted to say we support what has been said by France and Switzerland. Since this is a new proposal, we would need more time to consult and assess this. Thank you.

452. Delegation of the Russian Federation: Thank you very much, Chair. In turn, we feel that it is best to keep the initial proposal of the Chair, and our Delegation is delighted to continue the discussion within the 35th session of the PBC. Thank you.

453. Delegation of Italy: Thank you, Chair. We align ourselves with what has been stated by France, Switzerland, Iran (Islamic Republic of) and Germany. We do believe that this is a new proposal that we have not had the time to analyze. Thank you.

454. Delegation of Slovakia: Thank you, Chair. I am speaking in my national capacity of Slovakia. I would like to support what has been suggested by Switzerland and France and we do not see a necessity to have an additional study. Thank you.

455. Chair: At this moment, there is no request for the floor. It appears from the interventions made by Member States that there is no agreement on the proposal made by the United States of America. So my proposal to the Committee will be can we adopt the paragraph one of the decision on the screen which I read out to you, which will keep the possibility of coming back to this issue and engaging in further debate at the 35th session of the PBC. I see no opposition to

my proposal and I see no requests for the floor. Unless there is a last minute request. Let us wait for a moment. It is so decided.

456. The Program and Budget Committee (PBC) decided to continue the discussion on the methodology for the allocation of income and expenditure by Union at the 35th session of the PBC.

ITEM 19 CLOSING

457. Chair: I will now move forward to Agenda Item 19, Closing of the session. The Secretariat has prepared the draft "List of Decisions Adopted by the Program and Budget Committee", which will be sent to the Regional Coordinators. All decisions have been gavelled during the proceedings, so all items are now closed and the list of decisions is for your information and reference. I thank all the Delegations for their extraordinary collaborative work in making it possible for the Committee to do the work as it was mandated today. I would also like to thank the Secretariat for their support, efficiency, and high professionalism. I would fail on my part if I don't extend my special thanks to Interpreters also and all the other members of the Secretariat who facilitated our meeting: the conference staff, the technical team who have worked very hard, with your support, we have been able to conclude this meeting on time, I thank you all. I hereby declare the meeting closed.

[Annex follows]

ANNEX: LISTE DES PARTICIPANTS / LIST OF PARTICIPANTS

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