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PROGRAM AND BUDGET COMMITTEE

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PROPOSED PROGRAM AND BUDGET FOR 2006/07

presented by the Director General

The Proposed Program and Budget for the 2006/07 biennium is enclosed.

The Program and Budget Committee is invited to express its views on the Proposed Program and Budget for the 2006/07 biennium, and to recommend it to the Assemblies of the Member States for approval at its meeting in September 2005.

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PART I: DIRECTOR GENERAL'S HIGHLIGHTS

The Role of Intellectual Property in Development

1. The increasing market value of knowledge-based creations and outputs, and the economic dynamism they can fuel, is generating new and more broadly-based opportunities for economies to create national wealth, as the basis for sustainable development, and to deliver more widespread welfare gains from technological development. It opens up new pathways for those countries that have long been dependent upon scarce indigenous raw materials, traditional manufactures and limited trade and foreign investment for their economic growth. These countries are exploring prospects for more diverse models of development, which do not merely respect their cultural heritage and social character, but actually build on this distinctive characteristic as a more appropriate basis of economic life. The impact of this trend on trade, technology and economic development strategies is now beginning to be felt in many countries, including developing as well as least developed countries.

2. Within this new economic environment, policy makers, administrators and users of the intellectual property (IP) system are giving wider attention to how the creation, effective use and appropriate management of IP rights (IPRs) can deliver both economic and commercial gains, and broader social benefits. Further, new communities of interest - holders of traditional knowledge and cultural expressions, e-commerce promoters and developers, biotechnology and health care organizations, initiatives for new approaches to innovation and technology dissemination, new media and e-business ventures, technology development and commercialization institutions and grass-roots innovation networks - represent an emerging new group of actors in both the developed and the developing world, with a common focus on making judicious and effective use of IP to achieve their diverse developmental, business and social goals.

3. This development has already begun to change the fundamental landscape of IP, inviting new challenges as the global economic and social agenda evolve just as rapidly as the technology that facilitates these new ways of interacting, collaborating and doing business. As these information and communications technologies continue to develop and open up new forms of interaction, they facilitate faster and easier access to new markets, creating new prospects for knowledge-rich products. The impact has been positive, as countries actively explore more holistic approaches for leveraging not only modern technological discoveries but also promoting the distinctive forms of innovation, creativity and knowledge sharing that characterize the lives of their traditional and local communities, and tapping the latent business energies of its population so that their endeavor brings greater rewards and contributes to national growth.

4. Against this backdrop, WIPO's current vision – IP is an important tool for the economic, cultural and social development – will continue to be valid, provided it is responsive to the new and emerging prospects and expectations that are generated by rapid changes to technological, commercial and social environment. IP is an effective tool partly because of its very adaptability and flexibility, and is most productive when adapted to specific needs and applied with skill and judgement – approaches to IP management are inevitably as diverse as the enterprises and institutions that seek to use IP to advance their diverse business, economic and public welfare goals. To achieve this will require continuation of appropriate refocusing of WIPO's programs with a view to meeting numerous challenges posed by the dynamic IP environment, and the aspirations and needs of Member States of WIPO.

Challenges Facing WIPO

5. The first challenge is the need to support various Member States, IP users, the civil society and other relevant stakeholders in promoting positive and proactive use of the IP system for national development. Helping Member States in strengthening and adapting the IP system to their development continues to be the main challenge for WIPO. Given the extreme resource limitations and relatively weak infrastructure that confront some developing countries and LDCs, care is needed to appropriately target and judiciously integrate IP systems and policies into their national strategies and priorities for generating maximum development benefits. WIPO faces a unique opportunity in the next biennium 2006/07 to reinforce the contribution of IP mechanisms to achieve the Millennium

Development Goals of the United Nations, and to stimulate new ways of thinking and to find new pathways for action for parliamentarians, strategists, policy makers, investors, creators, scientists and administrators, among others. In this context, the potential contribution of IP needs to be addressed within a broad development framework in order to make IP systems relevant and responsive to the economic, social and cultural development in all countries.

6. Another challenge confronting WIPO is the growing demand for a well-functioning IP system at national, regional and international level in terms of cost, timeliness and quality. WIPO's global protection systems will need to respond to the demand for such services from IP users, and should promote more equitable access to the system from diverse users, especially those in the developing world for whom cost and complexity of access to IP systems inhibits their capacity to benefit from the greater access to the global market opened by the Internet. Despite the recent decrease in the rate of growth of the Patent Cooperation Treaty (PCT), the underlying trend of growth appears to be steady. On the other hand, the international registration of marks under the Madrid system appears to be growing quite significantly, following the expansion of its geographical and language coverage. Under these conditions, WIPO is committed to ensure that with more streamlined processes, more intensive IT support and an enhanced international cooperation, the global protection system should be able to deliver more and higher quality outcomes, and facilitate more equitable accessibility to worldwide IP protection.

7. Yet another challenge is to keep the international IP community and the user-sectors abreast of the dynamic changes in the global IP environment, influencing and, in turn, being influenced by a number of important factors such as advancement in technologies, integration of economies and global policy issues, and to enhance international understanding of substantive issues, common principles and procedural aspects of IP law and policy.

8. In my first term as Director General, WIPO took several new initiatives and invested significant resources, which successfully expanded the horizon of IP, and substantially enlarged the coverage of WIPO's programs and beneficiaries. In the next biennium, the time will be ripe for such new programs to deliver concrete results, while well-established and beneficial programs will enhance the quality of the deliverables. These challenges will require a strategic shift from the expansion of programs to consolidation, refocus and sustainability with a particular emphasis on the quality of program deliverables. This will also require expanded and enhanced cooperation with external partners among the private sector, intergovernmental organizations and civil society.

Strategic Goals

9. With the above challenges in mind, and consistent with the medium-term objectives, vision and strategic direction of WIPO for 2006-2009 ("the medium-term plan," see document A/39/5), the proposed Program and Budget for the biennium 2006/07 has been formulated in such a way as to clearly show the relationship between the Organization's medium-term goals, as approved by Member States in the medium-term plan, and the proposed activities for the 2006/07 biennium. The five strategic goals are as follows:

- ◆ building the foundation for a more solid and extensive IP culture in Member States through cooperation with governments, intergovernmental organizations, partners in the private sector and other interested communities;
- ◆ promoting IP policies and their integration into national development strategies and plans, custom-made for specific country requirements, conditions and available resources;
- ◆ further developing international IP laws responsive to emerging needs and balancing the interest of IPR owners and public policy objectives;
- ◆ ensuring delivery of quality service in global IP protection systems;
- ◆ focussing implementation of program activities through responsible management and administrative efficiency in the context of WIPO's result-based program and budget framework.

Overview of Programs

10. The tree structure or WIPO Strategic Framework presented on page 21 of this document illustrates the way in which in the next biennium the Organization's strategic goals cascade into priority program areas and individual programs. In this connection, the following is worth noting:

- ◆ While the general direction adopted in structuring programs largely remains the same as that of the 2004-05 biennium, program activities proposed for the 2006-07 biennium are more clearly aligned and prioritized to the vision and strategic goals, as summarized in the WIPO Strategic Framework;
- ◆ The structure consisting of Main Programs and Sub-Programs in previous Program and Budget documents has been replaced by "Programs" regrouped under "Priority Areas." This is intended to provide a streamlined structure, and a more flexible linkage between different programs and activities that target diversified stakeholders and communities but which complement each other in achieving common strategic objectives;
- ◆ Given that most developing countries have recently updated their national legal and administrative infrastructure for IP protection, more focus will be given to the proactive use of the IP system and support to users (including potential users) of the IP system in all relevant programs, while continuing to assist building and modernizing IP infrastructure and human resources capabilities, where needed;
- ◆ In response to the strong interest in IP policy issues at the national and international level, in particular, in an attempt to search for the best balance between IP-empowered incentives for innovation and public policy objectives, WIPO wants to provide the public with sufficient and accurate information and understanding about IP. Several relevant programs have been consolidated to focus on the interface between IP policy and relevant public policies with a view to facilitating an informed and constructive debate on various global IP policy issues.

A New Budgetary Policy for WIPO

11. The Organization's income continues to grow: the 2004/05 Revised Budget shows growth of 8.1 per cent over the actual income level for 2002/03. For the 2006/07 biennium, an overall growth of 4.4 per cent is foreseen, and this, with no change in the current level of fees payable by users of the PCT, Madrid and Hague systems. This shows that the services WIPO offers continue to be relevant and demand for these services continues to grow. The income shortfall experienced during the 2004/05 biennium was due to an over-optimistic forecast for income and not to a decrease in income in real terms over the preceding biennium. In 2004, a new model for forecasting levels of demand and income for the PCT system was developed by the Secretariat and is now being fine-tuned. The Secretariat is in the process of developing similar models for the other major sources of income.

12. During the 2004/05 biennium, and due to the emerging income shortfall, WIPO was able to reduce expenditure at very short notice. This is reflected in a reduction of the originally approved budget, of over 18 per cent. In order to be able to do this without compromising the achievement of the Organization's strategic objectives for 2004/05, the Secretariat has been revising a number of policies and practices. Policy changes have been made as a result of this revision, and the impact of those changes on the level of expenditure is expected to continue in the next biennium. Improved cost effectiveness in the delivery of programs will continue to guide program implementation in the 2006/07 biennium.

13. After four consecutive biennia of budgeted deficits aimed at bringing reserves to the level set by Member States, I am now presenting a balanced budget. In the medium term, a balanced budget will remain the objective.

14. Concerning the reserve funds, the Secretariat believes that the target established by Member States in 2000 (18 per cent of biennial expenditure) remains appropriate and that it should be maintained as an overall target. WIPO remains a market-driven Organization. Restoring budgetary balance while maintaining reserve levels at those recommended by the Member States also responds

to the recommendation of the External Auditor's in its report on the accounts for 2002/03, communicated to Member States in July 2004 (document WO/PBC/8/2).

15. On February 10, 2005, the Joint Inspection Unit of the United Nations System (JIU) transmitted a report entitled "Review of Management and Administration in WIPO: Budget, Oversight and Related Issues" to the Director General of WIPO. That report, and the Secretariat's comments thereon will be made available at the April 2005 (eighth) session of the Program and Budget Committee (PBC) in the context of examining the Proposed 2006/07 Program and Budget. The Proposed 2006/07 Program and Budget reflects the JIU's recommendations in a number of areas. Firstly, pursuant to the recommendations of the JIU, the Secretariat will hire, in 2005, independent external expertise to perform a comprehensive desk-to-desk needs assessment of the human and financial resources of the Organization. Based on the outcome of this comprehensive exercise, the level of budgeted expenditure may need to be readjusted. This would be proposed to Member States, as need be, in 2006.

16. Secondly, as recommended by the JIU, the proposed level of the 2006/07 Program and Budget (531 million Swiss francs) is based on the level of the 2004/05 Revised Budget (523 million Swiss francs). The difference (eight million Swiss francs) is mainly due to the need to adjust upward the resources of the PCT and Madrid systems to absorb additional workload in those systems. On matters concerning personnel, the 2006/07 Program and Budget incorporates the JIU's recommendations in a number of ways, including level of employment, and reclassification and promotion policies. Also, the Proposed 2006/07 Program and Budget caters for a strengthened Internal Audit and Oversight Office at WIPO. This is based on the draft Internal Audit Charter submitted to the April 2005 session of the PBC and proposed to be incorporated as an annex to the WIPO Financial Rules and Regulations. This is also in implementation of the recommendations of the JIU.

17. The Proposed 2006/07 Program and Budget document also builds on feedback received from Member States at the informal session of the Program and Budget Committee held in February 2005. Efficiency-gains targets for the forthcoming biennium are established for the first time in a number of areas (Chart 8, page 18). Also, in response to Member States' call for a strengthened results-based budgeting process, efforts have been made to improve, for each proposed program, the definition of challenges, objectives, performance indicators, and expected results. This should facilitate evaluation.

18. Finally, I should like to emphasize that by proposing to restart the new construction in 2006, the Secretariat does not intend to increase the size of its workforce but, rather, to accommodate the existing workforce in a more rational and cost-effective way. As discussed at the February 2005 informal session of the Program and Budget Committee, after exploring several options, including a loan from the *Fondation des immeubles pour les organisations internationales* (FIPOI), the Secretariat has come to the conclusion that a commercial bank loan is the most viable and financially cost-effective solution to finance the (revised) project for the new construction. This option has been fully validated by the February 2004 report of the JIU (see document JIU/REP/2005/1, paragraph 31). It is also critical to stress that the yearly cost to the Organization of financing the revised project of the new construction by means of a commercial bank loan will have no impact on the level of delivery of other programs, including cooperation with developing countries and countries in transition.

PART II. EXECUTIVE SUMMARY

2006/07 Highlights

- ◆ Income growth by 4.4 per cent over 2004/05
- ◆ Balanced budget
- ◆ No deficit
- ◆ No fee increase
- ◆ Reserves on target
- ◆ Same level of employment as in the 2004/05 Revised Budget (with limited exceptions in the PCT and Madrid systems) in spite of workload increases
- ◆ Efficiency gains in various administrative areas
- ◆ Revised project for the new construction to start in 2006 by means of a bank loan

Key Financial and Other Parameters

(in millions of Swiss francs)

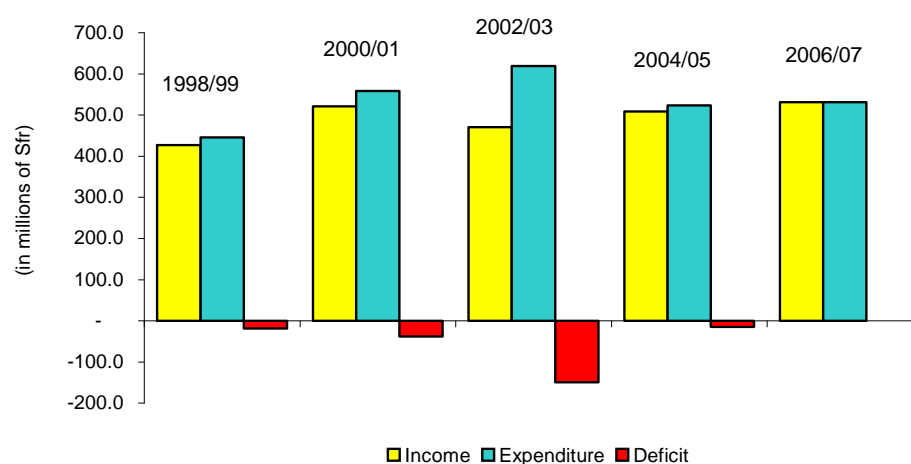
	Revised 2004/05	Proposed 2006/07
INCOME		
Contributions	34.5	34.5
Fees		
PCT System	388.8	398.0
Madrid System	62.0	81.5
Hague System	5.3	5.5
Total, Fees	456.1	485.0
Other Income	17.8	11.5
TOTAL INCOME	508.4	531.0
EXPENDITURE		
Personnel Expenditure	349.3	353.9
Non-Personnel Expenditure	173.7	177.1
TOTAL EXPENDITURE	523.0	531.0
DEFICIT	14.6	0.0
RESERVES	100.8	100.8
REGISTRATION ACTIVITIES		
Number of PCT Applications	243,500	258,000
Number of Madrid Registrations and Renewals	71,700	96,000
Number of Hague Registrations and Renewals	10,106	10,600
PERSONNEL		
Total employees headcount	1,322	1,350
Total number of regular budget posts	915	935
RENTAL COSTS	27.0	21.7

PART III: OVERALL BUDGET PRESENTATION

RESTORING BUDGETARY BALANCE

19. After four consecutive biennia of deficit budgets, for the 2006/07 biennium, the Secretariat is proposing a balanced budget. This shift in budgetary policy is illustrated in Chart 1, below. Income and expenditure patterns for 2006/07 are elaborated in the following paragraphs. For a snapshot of the main financial and other relevant parameters for the 2006/07 biennium as compared to 2004/05, please refer to Part II.

Chart 1. Biennial Budgets



OUTLOOK FOR INCOME

20. The main sources of WIPO's income are: fees received for services provided under the registration systems (PCT, Madrid, Hague); Member States' contributions; income from publications; income from the WIPO Arbitration and Mediation Center; monetary interest; and other, miscellaneous components.

21. Estimates for the 2006/07 biennium indicate overall income growth of 4.4 per cent as compared with the latest estimates for the 2004/05 biennium, yielding a total estimated income of 531 million Swiss francs. This follows growth of 8.1 per cent in the latest income estimates for 2004/05, as compared with the actual income for the 2002/03 biennium. The main factors responsible for this overall growth in the 2006/07 biennium are an estimated increase in the total number of PCT applications, from 243,500 in 2004/05, to 258,000 in 2006/07, and an estimated increase in the total number of Madrid registrations and renewals, from 71,700 in 2004/05, to 96,000 in 2006/07, all other sources of income remaining basically unchanged. Details on the various sources of income are given below. The relative share of the various sources of income in relation to the overall estimated income for 2006/07 is illustrated in Chart 3, overleaf. Estimated income for 2006/07 by source of income, is given in Chart 4, overleaf.

Chart 2: Income Evolution
(in millions of Swiss francs)

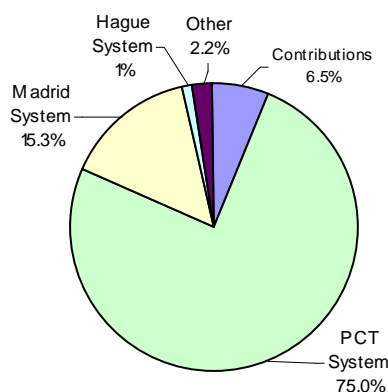
Income	1998/99	2000/01	2002/03	2004/05	2006/07	2008/09
	Actual	Actual	Actual	Revised	Estimate	Estimate
Contributions	41.1	34.8	34.5	34.5	34.5	34.5
Fees	360.9	441.1	406.1	456.1	485.0	498.9
Other	24.8	44.9	29.7	17.8	11.5	11.8
Total	426.8	520.8	470.3	508.4	531.0	545.2
Percentage Growth		22.0	-9.7	8.1	4.4	2.7

Proposed Program and Budget for 2006/07

Chart 3. 2006/07 Estimated Income
(in millions of Swiss francs)

	2006/07 Income	
	Estimate	% of Total
Contributions	34.5	6.5
Fees		
PCT System	398.0	75.0
Madrid System	81.5	15.3
Hague System	5.5	1.0
Total, Fees	485.0	91.3
Other	11.5	2.2
TOTAL	531.0	100.0

Chart 4. 2006/07 Estimated Income by Source



REGISTRATION SYSTEMS

PCT

22. In the 2004/05 biennium, the Secretariat developed a new model to improve its forecasts of the level of PCT applications (demand) and income. The model was presented to Member States at the Informal Information Meeting on PCT Demand and Income Predictability and Forecasting, which was held at WIPO in December 2004. This model has a 95 per cent confidence level: this margin of error compounds, however, over time. Its data are revised every three months.

23. As outlined at that meeting, the level of PCT income is influenced by a variety of factors: demand for PCT services; applicants' behavior; exchange rate fluctuations; performance of Receiving Offices (ROs) and International Searching and Preliminary Examining Authorities; and fields of technology.

24. Demand for PCT services (growth) is in turn influenced by a number of exogenous and endogenous factors. Exogenous factors include: performance of the economy globally, and in countries of the highest and fastest growing demand; research and development (R&D) investment levels; technological confidence levels; and exchange rate fluctuations. Endogenous factors include: the level of PCT fees as compared to other filing routes; the attractiveness and value of PCT services as compared to other filing routes; the overall credibility of performance of the patent system; and individual corporate patent strategies.

25. The performance of ROs influences PCT income because fees paid by applicants to ROs are only received by the International Bureau from the ROs when it receives the corresponding applications. In other words, when transmittal is delayed, receipt of income may be delayed as well. Exchange rate fluctuations, between the time applications are filed with an RO and the time their corresponding fees reach the International Bureau, also influence income, sometimes significantly.

26. Applicants' behavior also influences PCT income in a variety of ways, as follow:

(i) Page Fee: The International Bureau receives 15 Swiss francs for every page over 30 pages in a given application. Income from page fees was around 30 million Swiss francs in 2004. The Secretariat is of the view that the concept of page fees will eventually need to be rethought to account for the electronic filing and processing of applications. However there are currently no plans to change the page fee structure in the 2006/07 biennium.

(ii) Electronic Filing: Electronic filing influences income because, when applicants use electronic (instead of paper) filing, they benefit from discounts. This is one of the changes resulting from the PCT Reform Process. Use of electronic filing in 2004 was still moderate (discounts totaled 8.4 million Swiss francs). It is currently estimated that in 2005 use of electronic filing will increase

(producing an estimated 11.0 million Swiss francs in discounts) and that in 2006 and 2007 discounts may reach 13.3 million Swiss francs and 15.5 million Swiss francs, respectively.

(iii) International Preliminary Examination: Making use of international preliminary examination under Chapter II of the PCT influences income because applicants must pay an additional fee (a "handling fee"). One of the changes introduced by the PCT Reform Process is that all applicants, as part of the international filing fee, receive a written opinion from the International Searching Authority as to whether the claimed invention appears to meet the requirements of patentability under the treaty. Because of this change, Chapter II (or handling fee) income has fallen from 18 million Swiss francs in 2002 to around nine million Swiss francs in 2004. It is difficult to predict exactly how much further, or how quickly, Chapter II filings may fall. Based on current estimates, Chapter II income may fall to 6.7 million Swiss francs in 2005 (or a 62.8 per cent reduction compared to 2002), and to 4.9 million Swiss francs and 3.5 million Swiss francs in 2006 and 2007, respectively.

27. Based on the above model, demand for PCT is expected to grow by 1.4 per cent in 2006 and by 4.8 per cent in 2007, to an estimated level of 126,000 applications in 2006 and 132,000 applications in 2007. Based on the latest evaluation of the impact of the factors outlined above, and with no change in the current level of fees, total PCT income for the next biennium is estimated at 398 million Swiss francs. The current PCT fee schedule is shown in Chart 5, below.

Chart 5. PCT Fee Schedule
(as of January 1, 2004)
(in Swiss francs)

Basic Fee	1,400
Fee for pages over 30	15
E-filing Fee Reduction	-100 (Easy)
	-200 (PDF)
	-300 (XML)
RO/IB transmittal fee	100
Handling Fee	200

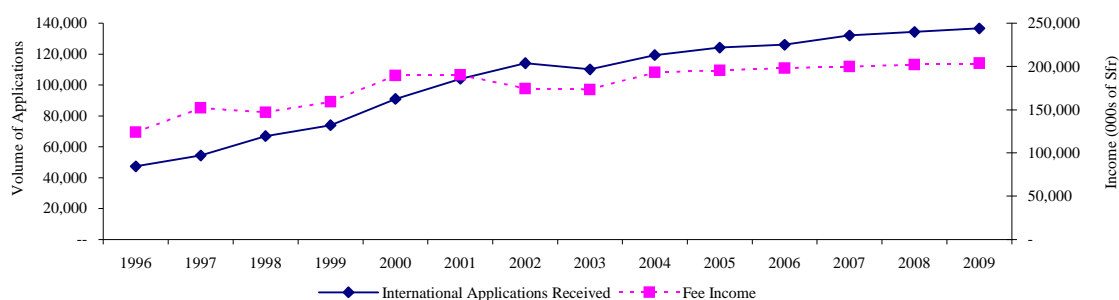
28. As compared to document WO/PBC/IM/05/2 (Short and Long-Term Financial Situation of WIPO) presented at the February 2004 informal session of the Program and Budget Committee, these income forecasts are slightly more positive. This is due to recent data showing that during the second half of 2004, PCT filings from major industrialized countries have shown a slight upwards trend.

29. As stated above, the level of PCT income also depends on exchange rate fluctuations between the Swiss franc (the currency in which WIPO's expenditures are budgeted) and the currencies in which PCT fees are paid by applicants (in 2004, 42 per cent of PCT fees were paid in US dollars, 25 per cent in euros and 16 per cent in yen). Due to exchange rate fluctuations, the *theoretical income* resulting from the number of applications multiplied by the average fee paid by applicants in a given period, may be different from the *actual income* accruing to WIPO accounts in Swiss franc value. As mentioned above, backlogs of applications from receiving offices may also contribute to create discrepancies between theoretical income and actual income.

30. For the 2008/09 biennium, it is expected that PCT demand will grow at a rate of 1.7 per cent per year.

31. The evolution of PCT applications (demand) and income from 1996 to 2003 and current estimated projections for 2004/05, 2006/07 and 2008/09 are shown in Graph 1, overleaf.

Graph 1. Growth of PCT Applications (Demand) and Evolution of Income



Madrid

32. Madrid income is mainly determined by the number of registrations and renewals recorded in the International Register and the level of applicable fees. In addition, fees are received by the International Bureau for the recording of subsequent designations and other modifications to registrations and for the furnishing of extracts from the International Register. The current Madrid schedule of fees may be found on the WIPO Internet site (<<http://www.wipo.int/madrid/en/fees/sched.htm>>). The Madrid fee level and fee structure have remained unchanged since 1996, when the Madrid Protocol came into operation. No changes are envisaged to the schedule of fees payable under the Madrid system in the 2006/07 biennium.

33. Income from fees under the Madrid system is anticipated to increase from 49.7 million Swiss francs in the 2002/03 biennium to 62 million Swiss francs in the 2004/05 biennium (a 24.7% increase). This results from a substantial overall increase in operations in the 2004/05 biennium. In particular, registrations and renewals are expected to increase from 56,700 in 2002/03 to 71,700 in 2004/05 (a 26.4% increase). This growth can be mainly attributed to the impact of the accession by the United States of America on November 2, 2003, as well as to a large increase in the use of the system in a number of other Contracting Parties.

34. As compared to document WO/PBC/IM/05/2, presented at the February 2005 informal session of the Program and Budget Committee, the Madrid income forecast for the 2004/05 biennium is more positive. This is mainly due to productivity gains achieved during the biennium and a recent plan to capture, in 2005, accumulated backlogs, through an energetic internal redeployment plan. Based on this plan, an additional amount of over three million Swiss francs would be accrued to WIPO income in 2005, as compared to the figures given in February 2005.

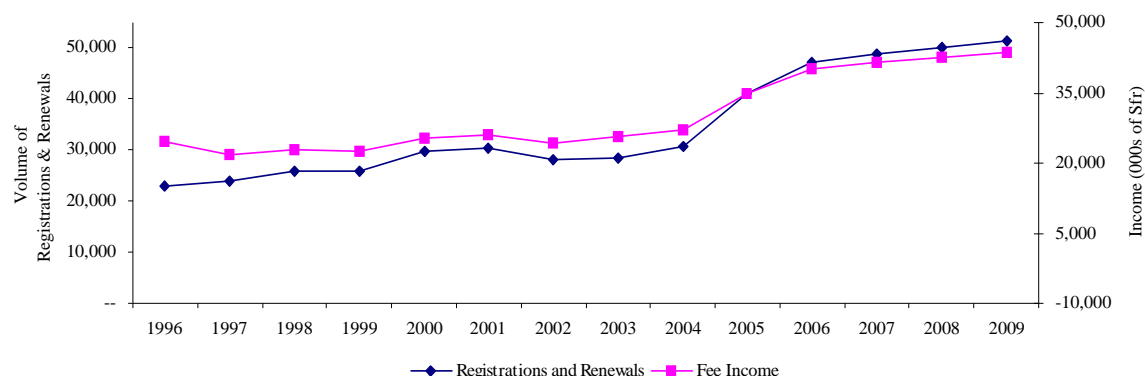
35. In the 2006/07 biennium, a total of 96,000 registrations and renewals are expected to be recorded in the International Register. This represents a 33.9% increase over the level of the 2004/05 biennium. This estimate is based on the most recent trends concerning the filing of applications under the Madrid system as well as on the change of the renewal cycle which will take effect in 2006. During the 2006/07 biennium, growth in the number of applications is expected to continue based on the same factors which accounted for the growth in 2004/05, plus the accession of new Contracting Parties, including the European Community, which joined the Madrid Protocol on October 1, 2004. As a result, fee income from Madrid operations in 2006/07 is expected to increase to 81.5 million Swiss francs (a 31.5 per cent increase over 2004/05).

36. The International Bureau is developing a model to forecast more precisely Madrid demand and income. This will be done in cooperation with relevant national offices.

37. For the 2008/09 biennium, it is expected that overall Madrid registrations and renewals will grow by six per cent and that overall Madrid fee income will also grow by six per cent, as compared to 2006/07.

38. The evolution of Madrid registrations and renewals and income from 1996 to 2003 and current projections for 2004/05, 2006/07 and 2008/09 are shown in Graph 2, overleaf.

Graph 2. Evolution of Madrid Registration and Renewals and Evolution of Income



Hague

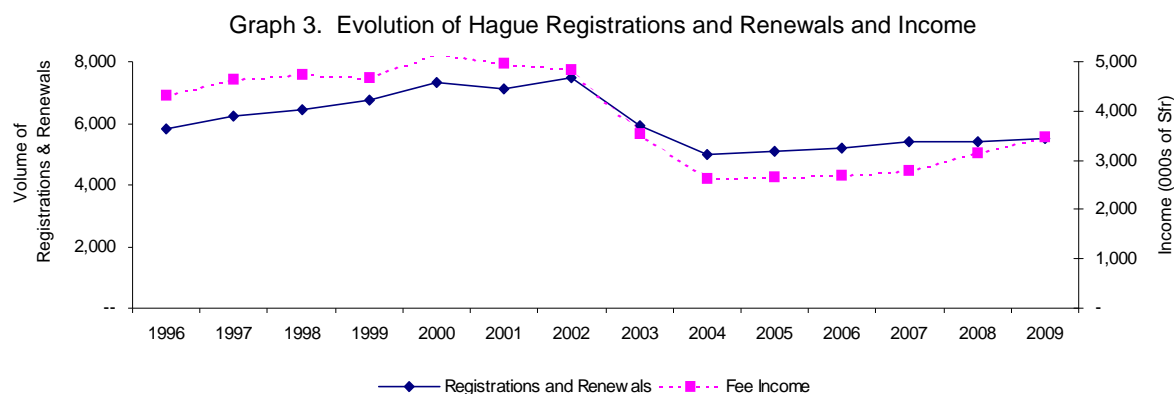
39. The level of income of the Hague system is mainly determined by the number of registrations and renewals recorded in the International Register and by the level of applicable fees. In addition, fees are received by the International Bureau for recording of modifications to registrations and the furnishing of extracts from the International Register. The current schedule of fees for the Hague system may be found on the WIPO Internet site (<<http://www.wipo.int/hague/en/fees/sched.htm>>). The Hague fee level and fee structure as established in 1996 has been the subject of changes in 1999, 2002 and 2004. No changes are envisaged to the schedule of fees payable under the Hague system in the 2006/07 biennium.

40. Income from fees under the Hague system is anticipated to decrease from 8.4 million Swiss francs in the 2002/03 biennium to 5.3 million Swiss francs in the 2004/05 biennium (a 36.9% decrease). This results from a substantial decrease in operations in the current biennium. In particular, registrations and renewals are expected to decrease from 13,400 in the 2002/03 biennium to 10,100 in the 2004/05 biennium (a 24.6% decrease). This decrease can be mainly attributed to the impact of the entry into operation of the European Community's Design Registration System.

41. In the 2006-2007 biennium, a total of 10,600 registrations and renewals are expected to be recorded in the International Register. This represents a 4.9% increase over the figures for 2004/05. This estimate is based on expected accessions to the Geneva Act of the Hague Agreement and consequent increased use of the System. As a result, fee income from Hague operations in the 2006/07 biennium is expected to increase to 5.5 million Swiss francs (a 3.8 per cent increase over the current biennium).

42. The International Bureau is developing a model to forecast more precisely Hague demand and income. This will be done in cooperation with relevant national offices.

43. The evolution of Hague registrations and renewals and income from 1996 to 2003 and current estimated projections for 2004/05, 2006/07 and 2008/09 are shown in Graph 3, overleaf.



MEMBER STATES' CONTRIBUTIONS

44. It is expected that income from Member States' contributions in 2006/07 will remain at the same level as that of 2004/05: 34.5 million Swiss francs. This figure is based on current membership and contribution classes. The level of contributions is shown in Appendix A.

OTHER SOURCES OF INCOME

Publications

45. The Organization's income from publications declined to approximately four million Swiss francs during the 2004/05 biennium. This decline is due in large part to a growing number of publications being made available for downloading free of charge via the WIPO website. It is not anticipated that any increase in revenues would be foreseeable under the current situation. The Organization is currently exploring ways to develop more value-added products based on existing and new publications which could be sold and delivered online. This type of endeavor, however, would require a decision to charge for certain information that is now available free of charge. Based on these factors, estimated revenues from publications in the 2006/07 biennium is 3.6 million Swiss francs.

WIPO Arbitration and Mediation Center

46. The Arbitration and Mediation Center's income is based on fees for services provided under the Uniform Domain Name Dispute Resolution Policy (UDRP) procedures and under the Arbitration and Mediation procedures, as well as participation fees for conferences and workshops organized by the Center. It is estimated that in 2006/07 the income of the Center will be around two million Swiss francs, of which almost 1.5 million Swiss francs is for UDRP procedures (at an estimated rate of three new cases per day). A gradual increase in the number of Arbitration and Mediation procedures is also expected, based on an expected increase in the types of intellectual property transactions that lend themselves to resolution through procedures other than court litigation, and a continuation of the Center's awareness-raising activities. These figures are expected to remain stable in the medium term, except for income for arbitration and mediation procedures, which is expected to grow in 2008/09.

Bank Interest and Other Miscellaneous Income Components

47. In the 2006/07 biennium, bank interest and other miscellaneous income components (including rentals from UPOV, support costs from funds-in-trust, and other miscellaneous sources) are expected to generate a total of 5.9 million Swiss francs.

Exchange Rate Gains and Losses

48. Fluctuations in exchange rates among major currencies influence the level of WIPO's income in two ways: firstly, because, as explained in paragraph 29, above, PCT fees are paid by most applicants in currencies other than the Swiss franc, and the corrective system available under the PCT system leaves a theoretical five per cent risk of loss for the International Bureau; secondly, because, once the International Bureau receives payment in currencies other than the Swiss franc, it needs to convert it into that currency. Depending on the moment when conversion into Swiss francs is made, gains or losses may be incurred. To attenuate these cash management risks, the International Bureau maintains in United States dollars the amounts corresponding to payments which may be made in United States dollars, such as, for instance, payments to the United Nations Joint Staff Pension Fund (UNJSPF) and in euros in the amounts corresponding to payments which may be made in euros, such as, for instance, payments for procurement of goods or services in the euro zone. For the remaining amounts to be converted, the International Bureau consults regularly with major banks. To further reduce these risks, the International Bureau is studying the possibility of hedging exchange rate risks by means of currently available financial products.

EXTRABUDGETARY RESOURCES

49. While the Organization's income is entering a period of more moderate and stable growth, there is nevertheless an ever increasing demand for its services, in particular regarding cooperation with developing countries and countries in transition. To help meet this need the Organization is proposing to embark on more proactive extrabudgetary resource mobilization.

50. In the recent past, a number of Member States have provided extrabudgetary funding by means of contributions in kind, cost-sharing agreements for specific activities (such as seminars, workshops or training activities), or provision of funds to WIPO under special Fund-in-Trust (FIT) arrangements. In the 2004/05 biennium, WIPO had FIT arrangements with the governments of Austria, France, Germany, Italy, Japan, Republic of Korea, and Spain, as well as the European Union, the International Organization of French-Speaking Countries, and the Geneva International Academic Network. These FIT arrangements have also enabled the funding of Junior Professional Officers (JPOs) attached to WIPO headquarters in Geneva. In the 2004/05 biennium, the governments of Austria, Germany, Italy, Japan and Korea, and the International Organization of French-Speaking Countries provided a total of eight JPOs.

51. As shown in Table X, it is estimated that a total amount of 12.9 million Swiss francs may be available to WIPO in the 2006/07 biennium under FIT arrangements. Other additional resources are also expected to continue to be made available through cost-sharing agreements and contributions in kind.

52. As described under Program 23, in 2006/07 WIPO proposes to build on this through a more proactive strategy targeting a broader spectrum of the donor community: governments, inter-governmental organizations, non-government organizations, academic institutions, and, subject to guidelines to be approved by the Member States, the private sector.

OUTLOOK FOR EXPENDITURE

53. The proposed level of expenditure for the 2006/07 biennium is 531 million Swiss francs. This amount represents only a 1.5 per cent increase over the 2004/05 Revised Budget and, in fact, a decrease of 16.8 per cent compared to the originally approved budget for the 2004/05 biennium (638.8 million Swiss francs).

54. Table I shows proposed expenditure by Object of Expenditure, Table II, by Program, and Tables III and IV, by Union. Table V shows the proposed number of posts, by Program. A definition of the various budget headings is given in Appendix B.

55. As recommended by the Joint Inspection Unit in its February 2005 report (JIU/REP/2005/1), the proposed level of expenditure for the 2006/07 biennium is based on the level of the 2004/05 Revised

Budget. A comprehensive needs assessment of the human and financial resources of the Organization, also as recommended by the JIU in its report, will take place in the second half of 2005 and the first half of 2006. Based on the outcome of this comprehensive exercise, the level of budgeted expenditure for 2006/07 may need to be adjusted. This would be proposed to Member States, as need be, in the course of the first year of the biennium (2006).

56. The proposed level of expenditure for 2006/07 represents an adjustment of eight million Swiss francs or 1.5 per cent over the level of the Revised Budget for 2004/05. The main reason for this is the need to absorb additional workload in the PCT and Madrid systems.

57. Concerning PCT, a total of six new posts are proposed to be established in 2006/07 for five examiners (in the Chinese, Korean and Japanese languages) and one translator, for an estimated biennial expenditure of 1.6 million Swiss francs. (Based on current estimates, in 2006 the number of PCT applications will grow by 1.4 per cent over the 2005 level. In the 2004/05 biennium, a workload increase of over 8.7 per cent over the levels of the preceding biennium was absorbed through internal redeployment, and in 2004 alone, an efficiency gain of 18.5 per cent over 2003 was attained. It would not be possible for the Secretariat to continue to absorb additional workload in the PCT only through redeployment, also in view of the language skills required to deal with certain applications). For more details, please see Program 16.

58. Concerning Madrid, a total of 14 new posts are proposed to be established in 2006/07, for an estimated biennial expenditure of 3.5 million Swiss francs. Of these, six will be reserved for examiners and eight for translators. (Based on current estimates, in the 2006/07 biennium the number of registrations and renewals under the Madrid system, is expected to grow by 33.9 per cent over the 2004/05 biennium level. In 2005 alone, a workload increase in registrations of over 30 per cent over 2004 was absorbed through internal redeployment (including in response to the new needs created by the introduction, as of 2004, of the Spanish language as an additional official working language under the Madrid system) and efficiency gains. Due to the skills and language combination required to deal with these applications, it would not be possible for the Secretariat to continue to absorb additional workload in the Madrid system in 2006/07 only through the redeployment of existing staff). For more details, please see Program 18.

59. Further adjustments to the level of the revised budget for 2004/05 reflect the 1.1 per cent annual rate of inflation for non-personnel expenditure officially established in the framework of the United Nations System, statutory modifications to salary scales expected to be mandated by the International Civil Service Commission (ICSC), and a limited number of reclassifications and promotions.

60. Finally, an upward adjustment of one million Swiss francs is proposed to cover new requirements in the area of security which are mandated by the implementation of the recommendations of the United Nations Minimum Operating Security Standards (MOSS). For more details, please see Program 29.

61. Chart 6, below, compares levels of expenditure in the initially approved budget for 2004/05, the 2004/05 revised budget, and the proposed 2006/07 budget.

Chart 6. Expenditure
(in millions of Swiss francs)

	Original 2004/05	Revised 2004/05	Proposed 2006/07
Operational Expenditure	558.7	514.5	526.4
New Construction	80.1	8.5	4.6
TOTAL	638.8	523.0	531.0

8.0 million Swiss francs
(difference between 2004/05 Revised
and 2006/07 Proposed Budgets)

Additional Workload in PCT and Madrid	5.16
Security	1.0
Other Adjustments	1.84
TOTAL	8.0

ALLOCATION OF RESOURCES BY OBJECT OF EXPENDITURE

Personnel Expenditure

62. As stated above, the level of personnel expenditure proposed in this document essentially reflects the recommendations of the report of the JIU. Pending the completion of the comprehensive desk-to-desk needs assessment of the human and financial resources, which WIPO will entrust, in 2005, to independent external expertise, it is in fact proposed that employment levels for 2006/07 be maintained at the level of the 2004/05 Revised Budget (except, as mentioned above, to absorb growth under the PCT and Madrid systems). As also mentioned above, based on the recommendations of the JIU Report, reclassifications and/or promotions expected to take effect in the course of the 2006/07 biennium have been budgeted for, for the prior approval of Member States.

63. In 2006/07, the Secretariat plans to continue to respond to the operational needs of the Organization through the combined use of four main categories of personnel: (i) employees holding posts under the regular budget (in the General Service (GS), Professional (P) and Higher categories, plus Director General, Deputy Directors General (DDG) and Assistant Directors General (ADG) levels); (ii) headquarters consultants; (iii) employees holding short-term contracts; and (iv) holders of Special Service Agreements (SSAs). In an effort to increase transparency, the Secretariat has budgeted proposed expenditure for each of these four categories of personnel in a separate line, including at individual program level.

64. Concerning category (i) (Posts), Table V shows the proposed variation in the number of posts for the 2006/07 biennium as compared to 2004/05. It is stressed that 935 posts are proposed for 2006/07, as compared to 1,004 in the originally approved budget for 2004/05 and 915 in the 2004/05 Revised Budget. As Table V shows, the proposed 20 additional posts for 2006/07 are exclusively proposed to absorb additional workload in the PCT and Madrid system (Programs 16 and 18). For more details, see also Part VIII of this document (Revised Budget for 2004/05).

65. Concerning category (iii), (Short-term Employees), it is noted that while in the past, expenditure for this category of personnel was partly budgeted for by means of vacant posts, as of the 2006/07 biennium, and following positive feedback from Member States, the Secretariat will budget it only under a separate budgetary line.

66. Finally, Table VI shows a comparison between actual personnel expenditure in 2002/03, estimated personnel expenditure in 2004/05 (as reflected in the 2004/05 Revised Budget), and proposed personnel expenditure for 2006/07.

Expenditure Related to the New Construction

67. By proposing to restart the new construction in 2006 the Secretariat does not intend to increase the size of its workforce but, rather, to accommodate the existing workforce in a more rational and cost-effective way. As discussed at the February 2005 informal session of the Program and Budget Committee, in the 2004/05 biennium, WIPO continued to incur substantial expenses in the rental of office space and parking places for its employees. These office-space and parking-place needs will not diminish, even with the forecast moderate growth of the registrations systems. This projection is based on the fundamental assumption that the number of persons employed by the Organization will remain basically stable from 2005 to 2009 (0.7 per cent average yearly growth, or 10 new employees, having been allowed to cover, in a very conservative fashion, the expected growth of demand for PCT and Madrid services during this period, it being understood that expected efficiency gains from the automation of the PCT will contain the growth of the number of PCT staff to the extent possible). By proceeding with the new construction (planned to be completed in 2008), the Organization would be able to accommodate all its employees in the new administrative building and in already-existing WIPO-owned premises, without the need to rent any other office space. This would represent significant savings. It should also be noted that, according to a recent market survey, it would not be possible to rent office space in Geneva that would meet WIPO requirements (in terms of number of work places, convenient location and cost-effectiveness) at a cost lower than that currently paid by WIPO for the Procter and Gamble, CAM and *Nations* buildings.

68. Proposed expenditure for the new construction project in the 2006/07 biennium amounts to 4.6 million Swiss francs. For further details, please see Program 31.

ALLOCATION OF RESOURCES BY PROGRAM

69. Proposed allocation of resources by Program is shown in Table II. Table II warrants a number of comments.

70. First, the proposed resource allocation for cooperation with developing countries is to be found under several programs: mainly, Program 3 (Strategic Use of IP for Development), Program 6 (Africa, Arab, Asia and the Pacific, Latin American and the Caribbean Countries, LDCs), Program 8 (Business Modernization of IP Institutions), Program 9 (Collective Management of Copyright and Related Rights), and Program 4 (Use of Copyright in the Digital Environment), as well as, as in previous biennia, Program 11 (the WIPO Worldwide Academy). Program 7 (Certain Countries in Europe and Asia) will also benefit from activities undertaken under Programs 3, 4, 8 and 9. While Programs 6 and 7 will continue to act as main focal points for the respective regions, and provide assistance in the modernization of national intellectual property systems, including legislation and infrastructure, new Program 3 will focus on assisting developing countries and countries in transition in making most effective use of IP for wealth creation. This new Program will also act as required on the WIPO Development Agenda. It will also continue activities started in previous biennia in the areas of economic value of IP, IP and SMEs, and IP asset management.

71. A comparison of resources available for cooperation with developing countries in the 2004/05 Revised Budget and the 2006/07 Proposed Budget is given in Chart 7, below. As Chart 7 shows, resources allocated to cooperation with developing countries in the Proposed Budget for 2006/07 are higher than in the 2004/05 Revised Budget.

Chart 7. Comparison of Resources for Cooperation
with Developing Countries between Biennia
(in millions of Swiss francs)

Revised 2004/05		Proposed 2006/07	
Sub-Program 05.2 (Copyright-based Business and Culture Development)	1.6	Program 3 (Strategic Use of IP for Development)	12.3
Program 08 (Cooperation with Developing Countries)	51.1	Program 4 (Use of Copyright in the Digital Environment)	2.6
Program 10 (the Academy)	13.5	Program 6 (Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs)	37.6
Sub-Programs 11.1 (IP Policy and Development) and 11.2 (Innovators and SMEs)	5.5	Program 8 (Business Modernization of IP Institutions)	4.8
		Program 9 (Collective Management of Copyright and Related Rights)	2.1
		Program 11 (the Academy)	14.3
Total:	71.7	Total:	73.7

72. Second, the proposed allocation of resources for Programs 1 (Public Outreach and Communication) and 2 (External Coordination), also reflects the Secretariat's proposal to launch a more proactive communication policy on all aspects of IP, with particular attention to the opinions held by certain civil society groups which question, in various fora, IP.

73. Third, the proposed allocation of resources under Program 13 (Law of Trademarks, Industrial Designs and Geographical Indications), covers the cost of the diplomatic conference planned to be held in 2006 to consider the revision of the Trademark Law Treaty (TLT). The same applies to Program 14 (Law of Copyright and Related Rights) for a diplomatic conference to be held possibly in the 2006/07 biennium in relation to the issues of the protection of audiovisual performances and the protection of broadcasting organizations, respectively. Likewise, provision is made under Program 12 (Law of Patents) for the possibility of a diplomatic conference in the area of substantive patent law harmonization, although Member States have not yet taken a decision to convene such a conference. The provision is thus of precautionary nature. Concerning Program 15 (TK, Traditional Cultural Expressions and Genetic Resources), the proposed allocation of resources builds on the policy platform which has been established in previous biennia through the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (the IGC), and which is currently being consolidated in the form of common objectives and core principles.

74. Fourth, as concerns programs under Strategic Goal Five, following the substantial capital investments made in previous biennia, the resources allocated to Program 27 (Information Technology) will be mainly absorbed by the running cost of the WIPO IT system. On the other hand, further investments will be necessary in the area of security (MOSS) and are reflected in the allocation of Program 29 (Premises Management). Finally, it is emphasized that efficiency gains realized by means of a thorough revision, by the Secretariat, in 2004 and 2005, of administrative policies and practices has made it possible to proportionately reduce, compared to previous biennia, allocation of resources to Program 25 (Human Resources Management), Program 26 (Financial Operations), Program 29 (Premises Management), and Program 30 (Travel and Procurement).

75. Fifth, and foremost, the proposed allocation of resources for Program 24 (Internal Oversight), reflects the proposal to strengthen internal audit and oversight functions at WIPO, on the basis of the draft Internal Audit Charter submitted to the April 2005 session of the Program and Budget Committee and proposed to be incorporated as an annex to the WIPO Financial Rules and Regulations.

ALLOCATION OF RESOURCES BY UNION

76. Proposed allocation of resources by Union is shown in Table III.

77. Concerning allocation of PCT Union resources, Table III should be read in conjunction with the information contained in Table VII. Table VII, which is presented to Member States for the first time, is intended to show the amount of resources estimated to be required by the PCT Sector in addition to those budgeted in the 2006/07 Proposed Program and Budget under Program 16.

78. This new table has been prepared on the basis of the following methodology. Firstly, the Secretariat has calculated which proportion of the total number of WIPO employees work in the PCT Sector: based on latest data, this proportion (ratio) is 39.6 per cent. Secondly, it has applied this ratio to the expenditure of those common administrative support programs which also provide support to the PCT Sector and without which the PCT sector could not function (mainly, premises, premises maintenance, human resources management, financial operations, budget and control, procurement, IT services). A 50 per cent ratio has also been applied to programs with a strong link to the operations of the PCT (Programs 12 (Law of Patents) and 19 (Patent Information, Classification and IT Standards). As Table VII shows, based on this methodology, the total amount of resources expected to be required in the next biennium for the operation of the PCT sector is 229.6 million Swiss francs or 43.2 per cent of the Organization's total budget. This methodology may be further refined in future.

STATEMENT OF EFFICIENCY-GAIN TARGETS FOR THE 2006/07 BIENNIUM

79. A list of efficiency gain targets for the 2006/07 biennium is provided in Chart 8, below.

Chart 8. Efficiency-Gain Targets for 2006/07

Area	Baseline/ Benchmark	Efficiency/ Benchmark Target 2006/07	Anticipated Efficiency Gain over 2004/05	Main Means of Achieving Target
Ratio of PCT staff to number of PCT applications	1:500 (489/243,500) (2004/05)	1:530 (493/258,000)	6 per cent	Re-engineering of PCT business processes and return on PCT investments in IT
Cost of translation (average cost per page)	246 Swiss francs (2004)	22.1 Swiss francs per page	10 per cent	Review of internal processes and lower costs through new tenders
Cost of air travel (average ticket costs ¹)	2,535 Swiss francs (2004)	1,900 Swiss francs	25 per cent	Negotiated air fares and centralized purchase; increased use of low cost carriers
Average cost of telephone calls, per call	0.28 Swiss francs (2004) (2000 = 0.60 Swiss francs)	0.23 Swiss francs	18 per cent	Lower cost through new tenders
Mail Services 1) Number of items	1.1 million (2004)	1.0 million	9 per cent	Electronic distribution and Internet publishing
2) Average weight per item	186 grams	170 grams	9 per cent	Replacement of paper with other media

BUDGETARY BALANCE AND LEVEL OF RESERVES

80. Based on the proposals contained in this document, full budgetary balance would be achieved as of the 2006/07 biennium. As a result, at the end of the 2006/07 biennium the level of reserves would be the same as at the end of 2005. This amount (100.8 million Swiss francs) is in line with the recommendations made by the Member States in 2000, in respect of the level of reserves for the Organization. Please also see Table VIII.

PRELIMINARY FINANCIAL SCENARIO FOR THE MEDIUM TERM

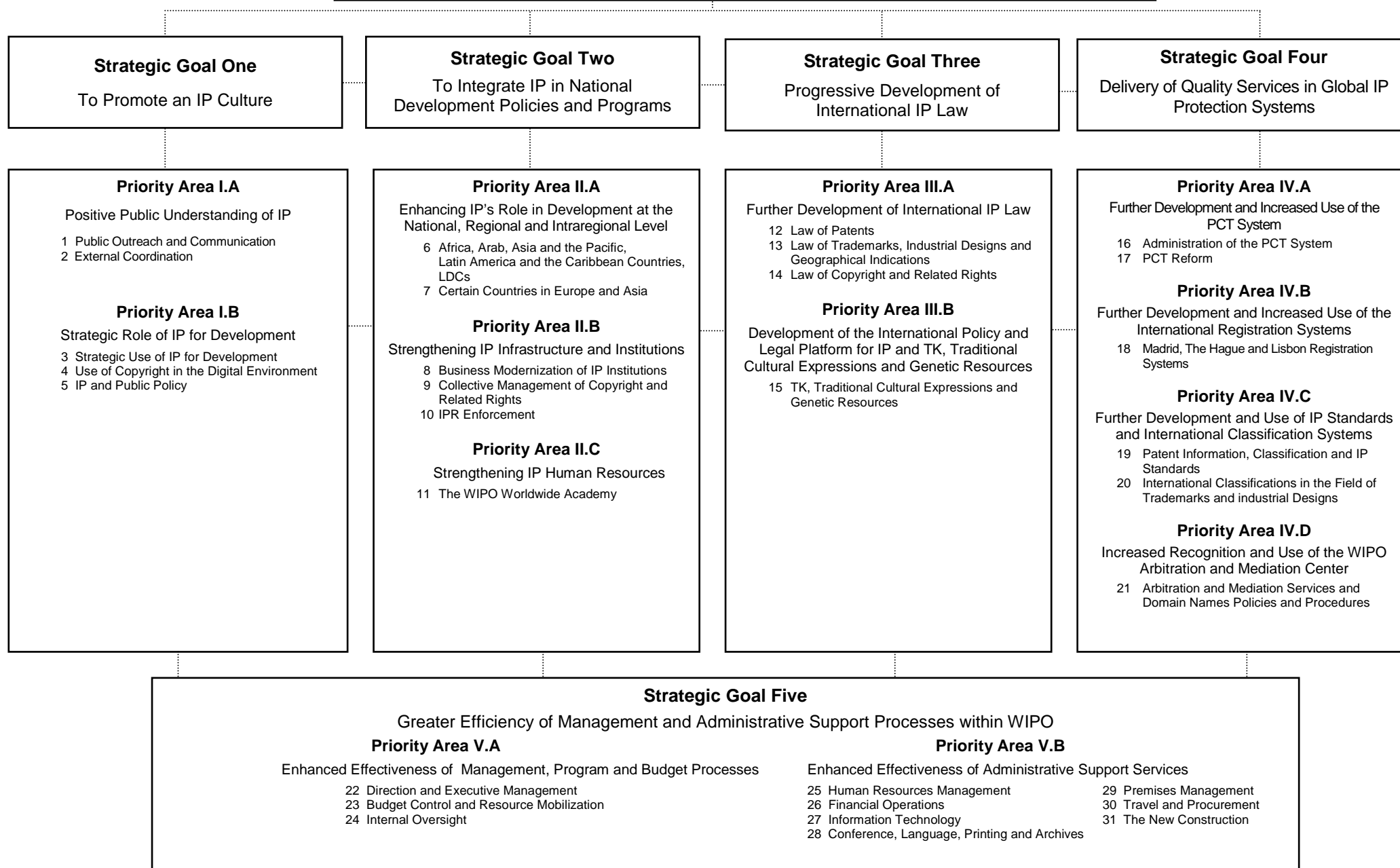
81. Table VIII shows, on a preliminary basis, the likely financial scenario of the Organization in the medium term. As Table VIII shows, the full budgetary balance achieved as of the 2006/07 biennium would be sustainable in the medium term.

¹ Based on the 12 most frequent mission destinations (two per region)

82. As Table VIII also shows, the re-start of the new construction project in 2006, by means of a bank loan, as proposed by the Secretariat, would have only a marginal impact on the medium-term financial situation of the Organization. Upon completion of the new construction, in 2008, the yearly cost of the bank loan would be lower than the amount which the Organization would have to pay if, instead of building the new construction, it continued to rent the Procter and Gamble, CAM and Nations buildings.

PART IV: WIPO STRATEGIC FRAMEWORK

Vision: IP is an important tool for the economic, social and cultural development of all countries
Mission: To promote effective protection and use of IP worldwide



PART V: PROPOSED PROGRAMS, BY STRATEGIC GOAL

The Programs proposed to be implemented in the 2006/07 biennium are presented in the following pages. There are 31 Programs organized under five Strategic Goals, each with its respective Priority Areas, as shown in the WIPO Strategic Framework appearing on page 21. Detailed budgetary data in respect of each of these 31 proposed Programs are shown in Part VII.

- **Program 1: Public Outreach and Communication**

CHALLENGES

As the leading forum for the growing discussion and debate of intellectual property issues worldwide, WIPO must redouble its efforts in public outreach to foster a broader understanding of IP and the Organization's work among the general public and specific target audiences.

To obtain broad support from various stakeholders for WIPO and its programs, the Organization will deliver its core messages through an astute media communications strategy to ensure an efficient, transparent, and open dialogue with the media, to effectively counter negative perceptions as they arise, and to enhance overall coverage through a steady flow of information that is timely, accurate, and complete.

WIPO's overall corporate image must be carefully maintained to reflect the Organization's role in this debate and in the ongoing evolution of the IP system. This requires the creation and wide dissemination of a broad range of information products – using a variety of communications tools – that explain the value of intellectual property and the work of WIPO. These key messages must be carried to audiences ranging from young people to policy makers and will require new, innovative products such as teaching materials for schools and co-published books with external publishers. Other information products must further advance WIPO's role as a leading provider of IP information and analysis, as well as to explain and promote the international IP system to existing and potential users. Closer cooperation with Member States in using these tools and in creating country-specific outreach campaigns and products also need to be developed.

As the electronic gateway to the Organization, the WIPO website is a key conduit for information to a worldwide audience, and its structure, design, technology and content must be kept up-to-date. WIPO's television and multimedia production provides an essential base for promotion of WIPO activities and events via the Internet as well as international and national television networks. Member States are increasingly requesting film and multimedia products to support their own intellectual property promotion efforts; this demand is parallel with the Organization's own outreach needs and requires a steady production of film, multimedia, and web-based information products.

The Program will also cover the WIPO IP Knowledge Center/Library and the Electronic Collection of IP Laws (CLEA) database. The Knowledge Center/Library is the repository of IP knowledge within the Secretariat and its unique collection of IP references are crucial for well-informed discussions on IP issues. The key challenge is to ensure that the services of the IP Knowledge Center/Library have a clear comparative advantage and are tailor-made to respond to diversified and complex inquiries. For CLEA, the major challenge is to ensure an updated and easily accessible collection of IP legislation from all over the world.

OBJECTIVE

To promote a better understanding of WIPO and IP issues worldwide and enhance support for WIPO's mandate through a proactive communication strategy.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Higher global media profile for WIPO and IP issues in general.	<ul style="list-style-type: none"> – At least five per cent increase in world press articles objectively reflecting WIPO's activities and an understanding of IP issues. – 20 per cent increase in media contacts that regularly report on IP.
Broader understanding of the role of IP and of WIPO and its activities among policy makers and the general public.	<ul style="list-style-type: none"> – Core messages on the value of IP disseminated via printed materials, multimedia, and the WIPO website, for the general public and specialized audiences. – IP educational materials for young people created and adapted for use by Member States in school systems.
Increased awareness of WIPO's international registration services.	<ul style="list-style-type: none"> – Promotional materials created for WIPO's international registration services and disseminated to specific audiences and regions according to the needs of each service.
Strong library collection focused on IP and related global issues.	<ul style="list-style-type: none"> - Number of holdings. - Shelf reading statistics.
Better outreach internally at WIPO and to the IP community at large.	<ul style="list-style-type: none"> - Intranet/Internet usage statistics of OPAC (Open Access Catalogue). - Number of requests from WIPO staff and the public dealt with.

ACTIONS

A new comprehensive media communications strategy will be introduced designed to: develop informed constituencies to strengthen support for the IP culture and WIPO's mission; promote the positive perception of IP and WIPO through the creation of new media contacts and consolidating existing relations; and, enrich the flow of information to ensure a timely and effective response to false perceptions and misrepresentation of IP issues. Active participation in the United Nations Communications Group and other international information structures will also continue.

New, innovative information products will be created to meet the needs of an expanding audience and to inform the widening debate on IP. Agreements with external publishers will be pursued to produce a range of studies on IP issues. The Program will also work closely with sectors providing IP services to develop promotional campaigns and products for those services, while providing graphic design services to all sectors of the Organization to ensure a consistent visual corporate image. Partnerships with the private sector and external entities will be developed to further expand WIPO's resources in the areas of capacity-building and outreach.

The content, structure, and presentation of WIPO's website will be continuously expanded and enhanced, and its navigability reviewed regularly. Video clips on WIPO news and events will be produced for television broadcast and webcast via

the WIPO website, as will public service announcements for release on television stations worldwide. Films and interactive CD-ROMs will be produced to promote WIPO services in seminars and promotional events. Video clips of messages from senior WIPO officials will be produced for use at key events.

A more efficient, automated sales and distribution system will be developed to further expand on-line sales and products, in an effort to reduce distribution costs while increasing revenues.

Concerning the IP Knowledge Center/Library, access to IP literature, including WIPO's historical documents, will be enhanced by: a pro-active acquisition policy; further customizing and personalizing information services for WIPO staff; re-starting indexing of core IP journals; developing a new thesaurus for indexing journals and monographs; extending coverage of electronic resources; creating an Open Access Catalogue on the Internet; implementing a new Library Management System for the books and the articles database; and, developing strong research support through extensive use of content management.

PROGRAM LINKS

This Program will cooperate closely with Programs 2 and 3, (to encourage a positive public perception of IP), as well as with Program 27 (in developing the website and other IT tools for communication and dissemination of information) and any other program in need of its services.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
11,886	13,280	1,394	11.7

• **Program 2: External Coordination**

CHALLENGES

Complementing external coordination activities in Geneva, the WIPO Coordination Offices in New York, Washington D.C. and Brussels promote a better understanding of WIPO's objectives in the United Nations system and other inter-governmental organizations, as well as relevant government institutions, industry and consumer groups and associations in the United States of America, and the European Community. At the same time, the Offices also contribute to a better understanding of the objectives of these entities within WIPO. To assist WIPO in promoting an IP culture using a regional approach, a Coordination Office was established in Singapore in 2005.

A principle challenge for external coordination is the promotion of IP issues as they arise in other international bodies, for example, implementation of the TRIPS Agreement under the WTO. It is the role of the Program to promote the recognition of the work of creators and inventors, and understanding of the role and importance of IP protection and to represent IP rights holders and the users of the global IP community in the work of other organizations. In addition, the benefits derived by the society at large from proper recognition and relevant use of IP in terms of social, cultural and economic development will be promoted, including their contribution to the achievement of the Millennium Development Goals (MDGs).

WIPO must also remain a fully engaged and contributing member of the UN system through its participation in the work of system-wide bodies such as the Chief Executives Board for Coordination (CEB) and the Joint Inspection Unit (JIU), thereby allowing the Organization to meet its obligations in the pursuit of common UN goals and objectives and to remain an active member of the UN common system.

Finally, at a time when IP is receiving increasing attention in a diverse array of policy processes, and more information is sought on WIPO's role and activities, the IP system and specific IP issues, a primary challenge is to identify new ways to interact with a broader range of interlocutors, to ensure that WIPO is kept abreast of development in policy debates, that feedback flows from groups having an impact on or interest in WIPO's operations, and that WIPO is able to make a relevant contribution to those processes.

OBJECTIVE

To promote a better understanding of WIPO's vision and objectives and to enhance WIPO's cooperation with the United Nations system and other inter-governmental organizations, as well as relevant institutions in the United States of America, the European Community and the ASEAN region.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Identification of further opportunities for cooperation and coordination with other international organizations, including UN Agencies, Funds and Programmes, the World Bank, the WTO and UPOV, on IP issues.	- Number of new joint initiatives or projects with other international organizations.
Greater inter-agency cooperation and coordination on UN common system matters and furtherance of UN system goals and objectives.	- CEB agreements, policies and initiatives to which WIPO has contributed.

ACTIONS

The Coordination Offices will conduct liaison and outreach activities in New York, Washington D.C., Brussels and Singapore, including seminars, conferences and briefings on IP issues and WIPO activities, with UN agencies, EU institutions, government agencies, the diplomatic community, other intergovernmental and non-governmental bodies. The Offices will represent WIPO at briefings, hearings and meetings and conduct information gathering, analysis and reporting on IP policy issues and processes. Joint projects will be initiated and monitored, and briefings provided for representatives of industry, business and professional associations, civil society and NGOs, including workshops, symposia and seminars on IP in general, specific aspects of IP of direct concern to them, and WIPO's role in the promotion and protection of IP and the use of IP for social, cultural and economic development. Contacts will be made to facilitate raising of extra-budgetary resources for WIPO's activities.

The existing close cooperation and coordination with organizations within the UN system and other relevant inter-governmental organizations, especially the WTO and UPOV, will be further strengthened. To lay the groundwork for the development of a stronger IP culture and to promote organizational interests in the UN common system, new contacts will also be cultivated and cooperation with a wider range of stakeholders at the executive level fostered. The Program will participate in relevant meetings organized by the UN and inter-governmental organizations and will provide support to the Director General at CEB meetings.

PROGRAM LINKS With all programs.

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
	(in thousands of Swiss francs)		
7,606	10,743	3,137	41.2

Program 3: Strategic Use of IP for Development

CHALLENGES

In the knowledge-based economy, IP has demonstrated its potential to create economic value for its owners and society as a whole. But in order to help developing countries reap the benefits of their intellectual property assets, it is essential to move forward from addressing basic IP infrastructure needs to efficient exploitation of IP assets. As stated in the Vision and Strategic Direction of WIPO for the period 2006/009, "an effective IP system allied to pro-active policy making and focused strategic planning will help such a nation promote its intellectual assets, driving economic growth and wealth creation." Such a system should also address the specific requirements of small and medium-sized enterprises (SMEs) and realize the potential of IP as an economic asset (IP assets).

This approach underscores the importance of understanding and documenting economic benefits of an intellectual property system. At the macro-level, it is necessary to examine, through economic research and analysis, the relationship between IP protection and growth, within the global economic environment. It is also important to test, validate or challenge assumptions of the role of IP in the national and international context. To convincingly demonstrate that IP assets can promote economic growth through employment generation, value addition and trade facilitation, and also in view of the varying levels of economic growth among developing countries, the approach has to be customized to address the comparative advantages and specific strengths of each country. The policy and action programs emerging from these efforts will strengthen the credibility of the IP system, and should reflect the views of all stakeholders, striking a balance between the interests of both the right-holders and society as a whole.

Although SMEs represent a high share of world gross domestic product (GDP), the advantages available for SMEs through an effective IP system have not yet been fully realized. In previous biennia, this program has endeavored to raise awareness for the relevance of IP for small and medium-sized business and promoted initiatives to make the IP system more accessible, less cumbersome and more affordable for SMEs. It is imperative to continue in this direction to enable SMEs to use the IP system more extensively, thereby expanding their role in employment creation, investments and exports. Greater efforts must also be made to "train-the-trainers" and develop guides and teaching materials, as well as strengthen the capacity of SME support institutions, including innovation centers, incubators, chambers of commerce and R&D institutions, to provide IP-related support services to their members and clients.

The development and management of IP assets has become a primary concern of private enterprises, especially in the fast growing areas of technology and cultural industries. At the macro-economic level, there is also a growing recognition that intangible assets, including IP, are often the most valuable elements in national and regional economies because of their connection to value added products, services and technologies. Policy makers in governments, universities and research institutions therefore wish to implement proactive IP policies and strategies to encourage the development, accumulation, protection, and use of IP assets as a key tool in economic policy. IP valuation is a key element to determine the monetary worth of an IP asset or portfolio of assets, and is essential for licensing, acquisitions, mergers, funding arrangements, investments and loans. The main challenges in this field are: developing and enhancing IP asset management in research and development; increasing use of the IP system by enterprises in developing countries; promoting funding for research and development and IP asset management; assessing and improving professional capacity for IP asset management including licensing and patent professional training; and, testing and implementing proactive private and public policies to address all of the above-mentioned challenges.

OBJECTIVES

To assist Member States in effectively utilizing the IP system for development, extending support to SMEs and enhancing IP assets management capacity.

EXPECTED RESULTS	PERFORMANCE INDICATORS
Strengthened documented evidence on the effects of IP protection on economic development and greater understanding among policy makers on the relationship between the use of IP and development strategies.	<ul style="list-style-type: none"> - Strategic partnerships initiated and joint activities and research undertaken in Member States at the macro-level in cooperation with intergovernmental agencies, universities, public research institutions and business entities. - Case studies undertaken at the national level in developing countries and countries in transition to document single country experiences. - Case studies undertaken at the industry level to document effects on issues such as technology transfer.
Enhanced international exchange of research results on the effects of IP on development.	<ul style="list-style-type: none"> - Organization of seminars and publication of WIPO research results. - Availability and regular updating of a WIPO database and other practical tools for policy makers. - Strategic partnerships and joint activities with other organizations and institutions to bundle resources and expertise.
Strengthened partnerships with all stakeholders, both public and private, leading to greater evidence on the relationship between the protection of IP and economic development.	<ul style="list-style-type: none"> - Policy decisions in Member States reflecting WIPO research findings. - Discussions at the national level regarding IP protection, making specific references to WIPO research.
Enhanced awareness and capacity of SMEs and SME support institutions to use the IP system tools.	<ul style="list-style-type: none"> - Significant increases in page views or downloads per month from the WIPO SMEs web site and in subscribers to the WIPO SMEs electronic newsletter. - Publication of nationally customized versions of the WIPO SMEs IP for Business Guides in additional countries.
Improved capacity by SME support institutions to deliver IP services to their constituencies.	<ul style="list-style-type: none"> - Increased quantity and improved quality of information and services rendered by SME support institutions as indicated by surveys/questionnaires.

EXPECTED RESULTS	PERFORMANCE INDICATORS
Strengthened ability of Member States, in particular, businesses and research institutions, to develop and manage IP assets.	<ul style="list-style-type: none"> - IP national strategies and implementing programs developed and implemented in Member States. - National IP audits conducted by Member States and further development of IP audit tools for use by Member States. - Pilot projects showing and analyzing use of network strategies to strengthen IP asset management in Member States. - Use of the WIPO IP Strategies Database by Member States.
Greater awareness and information available on financial support for IP asset development by businesses and research institutions in Member States.	<ul style="list-style-type: none"> - Development and adoption of funding mechanisms respecting IP valuation.

ACTIONS

In the 2006/07 biennium, the Office for Strategic Use of IP for Development will concentrate its action in three main areas, as described below. It will also respond to requests by Member States in relation to the proposed WIPO Development Agenda.

IP and Economic Development: The program will respond to the need for understanding the dynamics of IP and to analyze the potential of the IP system to promote economic growth through academic studies, demonstration projects and publications. This will also be done by studying national experiences and organizing national, sub-regional and regional meetings. Promotion and outreach material will be prepared for policy-makers on selected IP issues, to enable them to grasp the intricacies of ongoing debates on such issues. The program will develop conceptual frameworks, methodologies, indices and questionnaires to assess IP situations at the national level. Inter-regional programs will be organized to promote exchange of experiences on using IP for development.

IP and SMEs: Activities aimed at promoting the use of IP among SMEs will be undertaken in partnership with SME support institutions at the national, regional and international level. In addition, activities and information material targeting SMEs in specific sectors with export potential and a high demand for IP services (e.g. artisans, creative industries, textile industry) will be developed. Assistance will be provided to SME associations, innovation center networks, business incubators, universities, R&D institutions, professional associations, chambers of commerce and IP offices, in order to promote and enhance the IP-related support services provided to their members and constituencies. Guidelines, best practices models and case studies for inventors, creators, academia, entrepreneurs and SMEs will be developed and disseminated through various media. Furthermore, awareness, teaching and training materials and guides including e-learning programs, and customizing IP material, targeting entrepreneurs and SMEs, will be developed and training programs for key partner institutions and business service providers on IP.

IP Asset Management: To enhance IP management capacity, training materials will be prepared, curricula developed and training workshops organized in Member

States on IP strategy, IP commercialization and licensing, technology transfer, and patent drafting, including regional workshops dedicated to training in IP strategy and related subjects. Network projects will be initiated to encourage Member States to evaluate and use network strategies to strengthen IP asset management. Sectoral studies, addressing the relationship of IP assets to new technological and cultural Industry development, as well as pilot projects to test and demonstrate the role of IP asset development in economic and cultural development, will be carried out. To support the strategic process, practical tools, including the IP Audit Tool and an IP Strategies Database, will be developed. Regarding IP Valuation, case studies on the relationship between IP assets and funding for technological developments will be conducted and seminars/ symposia on funding for research and developments and its relationship to IP valuation, will be organized. In all projects, an emphasis will be placed on using and developing local expertise, and promoting exchanges of expertise in an international and interdisciplinary manner.

PROGRAM LINKS The Office for Strategic Use of IP for Development will cooperate closely with all areas of the Organization involved in the implementation of the WIPO Development Agenda. It will have special links with Programs 6 (Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs), 7 (Certain Countries in Europe and Asia) and 11 (the WIPO Worldwide Academy) and all programs under Strategic Goal Three.

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
	(in thousands of Swiss francs)		
9,817	12,347	2,530	25.8

• **Program 4: Use of Copyright in the Digital Environment**

CHALLENGES

Over the past decade, the Internet and digital technologies have revolutionized the spread of ideas and information, including creations protected by copyright and related rights. One entertainment industry source reports that the number of legal download sites increased from 50 in 2003 to 203 in 2004; in the same period, legal downloads increased tenfold to over 200 million in 2004. According to the report, the current digital music market could represent as much as 25 per cent of record company revenues in five years. The Internet and digital technologies are having a significant impact on the way that copyright content is created, disseminated and used, with major implications for the copyright system. The global reach of the Internet challenges inherently-territorial copyright and related rights laws, and individual and collective licensing mechanisms developed over time for use of content in single territories are under pressure as individuals and businesses seek authorizations for multi-territorial digital uses. As the sharing of digital content becomes quick and easy, the spread of open and free software illustrates the viability of emerging business models based on collaborative creativity. The content-delivery role of internet intermediaries such as ISPs and peer-to-peer software companies is also in full evolution, against a background where differing standards of copyright liability apply across national jurisdictions. With the increased application of technical measures of protection (TPMs) to ensure legitimate delivery and use of digital copyright content, the conditions under which beneficiaries of exceptions and limitations are afforded access to TPM-protected content has become an issue of growing concern, including with respect to implementation of the WCT and WPPT. The need for interoperability between copyright content in digital form and digital devices is increasingly apparent, and a number of ongoing standards initiatives in the field of digital rights management (DRM) create implications for the copyright system that are not widely understood. Similarly, the role of the copyright system in contributing to development and reducing the Digital Divide creates a set of challenges and possibilities that merit increased attention and resources. There is growing demand from Member States for greater exposure, discussion and analysis of these issues at international level.

OBJECTIVE

To enhance awareness of the challenges and opportunities for copyright in the digital environment.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Increased practical understanding of the possibilities for commercial exploitation of copyright in the digital environment.	<ul style="list-style-type: none"> - Explicit recognition of WIPO's support and input in the development of new online businesses for legitimate delivery of digital copyright content in 10 Member States. - 5,000 page views of the WIPO Copyright website consulted/downloaded by users worldwide every month.
Greater awareness of the contribution of copyright to narrowing the Digital Divide.	<ul style="list-style-type: none"> - 3,000 worldwide subscribers to Copyright E-Commerce electronic newsletter.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Greater understanding of the impact of emerging technologies on creation, access to and use of copyright content.	<ul style="list-style-type: none"> - National public discussions on copyright and digital technologies in five Member States where WIPO has provided assistance. - In regular meetings of the SCCR, identification of issues of common global concern in the relationship between copyright and emerging technologies, resulting in commonly-agreed conclusions by the Chair.

ACTIONS

The Program will reach out to, and involve, all stakeholders - governments, creators, industry, civil society, and consumers – to provide a forum for broad and inclusive debate and analysis aimed at meeting the challenges and realizing the opportunities raised by digital technologies for the copyright system. It will pursue contacts with the international copyright community to gather information on cutting-edge copyright issues, both legal and business oriented, and share the results through studies, seminars, and awareness-raising events in various Member States. The Program will work closely with other international organizations and the private sector to further expand WIPO's services to the IP community, in developing countries and countries in transition in particular. In this context, the Program will carry out, with the cooperation of Priority Areas I.B and II.A, a study on the contribution of copyright to narrowing the Digital Divide.

Activities will also be undertaken to increase global understanding of emerging issues in the field of copyright, with a view to facilitating commercial exploitation of copyright in the digital environment and a deeper appreciation of emerging Internet and rights management technologies. Research and consultations will be conducted, and studies published on issues such as: the impact of the Internet on the collective management of copyright; the treatment of security interests in copyright assets; updates on development and use of digital rights management tools; and, the evolving role of Internet intermediaries. Services will also be provided to assist copyright creators and owners to make best use of the copyright system, by developing copyright information tools and workshops for creators in various sectors (film producers, musicians, writers, photographers, etc.), and by studying and holding workshops on digital rights management standards processes and new business models and emerging user practices, including those involving collaborative creativity and peer-to-peer file sharing systems.

The Program will also improve its outreach through the WIPO Copyright website, continuing to improve its content and presentation, exploring new tools and information resources to inform stakeholders, and launching a Copyright Newsletter to raise global public awareness of WIPO's copyright activities. In cooperation with Priority Areas I.A and II.A, and making use of WIPO's network of contacts, copyright-oriented visits, seminars, press and delegates briefings will be conducted at WIPO Headquarters in Geneva and elsewhere. The outcomes of these activities will be reported to the Standing Committee on Copyright and Related Rights (SCCR) and other relevant WIPO bodies for further action and consideration, where appropriate.

PROGRAM LINKS

The Program will cooperate with Program 1 (to promote understanding of the role of copyright in narrowing the Digital Divide, and facilitate the commercial exploitation of copyright by creators and IP rightholders), Programs 6 and 7 (to assist governments to devise and implement appropriate legislative frameworks for

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copyright and electronic commerce, and raise awareness in developing countries and countries in transition of the opportunities and challenges presented by digital technologies for the copyright system) and Program 15 (to increase understanding of the role of copyright in protecting and promoting national heritage, and the links between copyright and traditional knowledge and folklore).

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
1,617	2,608	991	61.3

• **Program 5: IP and Public Policy**

CHALLENGES

In developing an IP culture, the perception of IP has recently been overshadowed by the public concern about the potential negative impact and broader social implications of new technologies such as life sciences and information communication technologies, and IP policies applied to the result of innovation in those technological fields. Policy frameworks should take into account the need for studying public concerns and for maintaining a balance between the interests of IP holders and the broader public, while ensuring that national policies and the IP system remain consistent with international IP laws and international agreements. To ensure that interests at all levels are adequately voiced and that the functioning of IP systems is well understood, an interactive relationship with civil society and NGOs, as well as partnerships with the private sector, is crucial.

In the next biennium, this new Program will first concentrate on the area of life sciences technologies. This is one of the areas in respect of which tensions between IP policies and other relevant public policies have recently emerged. The role of IP within life sciences is under particular scrutiny, from a range of perspectives: the ethical basis of IPRs in this field; the role of private rights in achieving public interest outcomes; the appropriate use of IP to ensure public welfare dividends from investments of public resources in research; the relationship between the application of specific patentability criteria in these emerging technologies and the broader public interest; the possibility of supplementary innovation structures and models specific for medical technology and agricultural biotechnology; and, the need for new analytical tools and understanding of patenting trends in these specific sectors.

The key challenge is to provide objective and reliable information concerning the actual functioning of IP systems, and the range of options available, so that policymakers have a richer basis from which to address current policy issues.

OBJECTIVE

To ensure that public policies take duly into account IP issues to achieve beneficial public welfare outcomes.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Enhanced understanding among policy makers and the public at large of the interface between IP and public policies.	<ul style="list-style-type: none"> - National policy papers on IP and public policy published which reflect the international debate to which WIPO contributed. - Recognition of WIPO's input in international debates and processes on IP and public policy.

ACTIONS

This Program will encourage objective analysis and empirical information, to further support debate and informed policy choices on IP-related questions arising in the area of public policies. An enhanced base of practical information, legal analysis and documentation of policy options and strategic national approaches to use IP for enhanced public welfare outcomes will be developed in cooperation, where appropriate, with relevant international organizations. In particular, empirical studies and issues papers will be developed to assist international policymakers, government agencies and legislators in assessing policy options and formulating recommendations at the national level, while ensuring full understanding of the range and implications of policy flexibilities within the established international framework.

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Technical and legal advice and briefings will also be provided and consultative workshops will be held for a wide range of stakeholders, including the civil society and NGOs, to provide an opportunity for exchange of information in making use of the IP system in public policies, including in life sciences. In addition, appropriate mechanisms will be developed to allow for enhanced cooperation with the private sector on select projects.

PROGRAM LINKS The Program will have close links with Programs 1, 2, 3, 6, 7 and 11, as well as with all programs under Strategic Goal Three.

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
994	(in thousands of Swiss francs) 1,608	614	61.8

• **Program 6: Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs**

CHALLENGES

Within the context of the UN Millennium Development Goals, the main challenge for developing countries is full integration of IP into national development policies and the formulation of appropriate strategies and action plans to exploit IP for access to knowledge, employment and value-added creation, increased investment and trade, thus contributing to economic, cultural, social and sustainable development.

To this end, the Program will continue to assist developing countries and LDCs acquire and develop IP rights, which can be transformed into IP assets that can contribute to national economic development. In addition, the Program must further encourage the full participation of all interest groups, creators, IP rights holders, universities, R&D institutions, enterprises, consumers and the public at large, to optimize the benefits of the IP system, for example, by helping developing countries to implement suitable IP-related public policies. A particular challenge will be to address public policy issues in program activities, and raise awareness of the flexibilities in international IP treaties.

To provide an enabling environment for the use of IP as a tool for economic growth, continued modernization of national and regional IP systems and their harmonization with the international IP system, as well as institution-building and human-resource development, will be essential, as well as countering misunderstanding and misperceptions of IP in developing countries and highlighting the positive role of IP for economic, social and, cultural sustainable development. In addition, a better interface between development programs implemented by WIPO for developing countries with other bilateral, multilateral and international organizations involved with IP and economic development issues is required to maximize synergies.

Finally, special attention will continue to be given to LDCs and their many specific challenges in building and modernizing their IP infrastructure. Of particular importance will be assistance for: the formulation of national IP policies and strategies; strengthening capacity to administer and exploit IP assets, public administration, managerial and technical capacities and physical infrastructure and resources; and, increasing understanding of the role of IP in development.

OBJECTIVES

To assist developing countries, including the LDCs, to include IP considerations in national and regional development policies, strategies and action plans and to optimize IP infrastructure for economic, social, cultural and sustainable development.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Increased integration of IP in development policies.	- Explicit recognition of WIPO's support and input in initiatives undertaken to formulate policies to integrate IP concerns in national development strategies.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Enhanced awareness of policy-makers and user groups in LDCs, as well as of international, sub-regional and regional organizations of IP and its contribution to development.	<ul style="list-style-type: none"> - Up to eight countries are conducting national IP audits and initiating IP awareness programs, and/or national development policies with an IP component. - Inclusion of IP considerations in work programs of up to eight relevant sub-regional, regional and international organizations.
Updated IP legislation in support of development goals.	<ul style="list-style-type: none"> - Modernized IP legislation in up to ten developing countries that conforms to relevant international treaties, reflecting WIPO's advice.
More efficient IP infrastructure in developing countries and the LDCs.	<ul style="list-style-type: none"> - Up to eight IP offices have implemented revised administrative processes based on WIPO's advice. - Strengthened administrative capacity for protection and enforcement of IPRs in at least 10 countries.
Improved exploitation of the IP system in developing countries.	<ul style="list-style-type: none"> - Plans of action, mechanisms and support programs initiated in developing countries. - Development of benchmarks for assessing the performance of the IP system in developing countries.
Development, management and use of IP for investment, employment and revenue generation at the national level.	<ul style="list-style-type: none"> - Increase in domestic patent/trademark/industrial design applications and overall percentage of applications by local creators, enterprises and R&D institutions in developing countries and LDCs
Knowledge and comparative advantages, including TK and folklore, are transformed into products and services in domestic and international markets.	<ul style="list-style-type: none"> - Identification of comparative advantages in IP based products.

ACTIONS

The Program will be providing advice to developing countries, at their request, on adjusting their national legislation to relevant international agreements including on existing flexibilities in international IP treaties. The Program will also continue to assist developing countries in creating and reinforcing national IP infrastructures and IP institutions. In conjunction with Program 8, the Program will assist developing countries in modernizing IP national offices, including through automation. The Program will also assist at enhancing national infrastructure for innovation promotion.

Strategic Goal Two: To Integrate IP in National Development Policies and Programs

In cooperation with other relevant WIPO programs, targeted and specialized training will be provided at national level for decision makers, professionals and other users of the IP system. Legal and operational advice on the strategic use of IP and support for research on, and practical implementation of, IP-based approaches will also be provided. Technical assistance will be given to strengthen IP infrastructure, and activities organized to bring together the public and private sector, and civil society, and promote interagency cooperation.

With respect to LDCs, the Program will provide assistance for: conducting national IP audits; developing national IP policies and strategies for economic development; IP office computerization; strengthening copyright-based cultural industries through the creation of collective management societies, educating creators and performers in IP; and, implementing the Seoul LDC Ministerial Declaration.

PROGRAM LINKS The Program will be implemented in close cooperation with Programs 1, 3 and 11, as well as with all programs under Strategic Goals Three and Four.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
43,234	37,649	(5,585)	(12.9)

• **Program 7: Certain Countries in Europe and Asia**

CHALLENGES

Reinforcement of WIPO's cooperation with governments, academic institutions and the private sector remains a main challenge in order to reinforce IP national systems in countries in transition to a market economy. This includes necessary support for capacity building and development of appropriate infrastructures, as well as the strengthening of human resources. The Program promotes the identification, protection and the use of IPRs by improving conditions for the mobilization of domestic creative and innovative potential and for enhancing opportunities for foreign investment and technology transfer. The Program will work in a cost-effective manner, with concrete deliverables, at the request of countries that are in transition to a market economy and knowledge-based society, that is, a total of 30 countries including the Central European and Baltic States, Caucasian, Central Asian and Eastern European, and certain Mediterranean countries. The Program is designed to provide balanced and customized assistance, tailored to the varying levels of development, demands and policy orientations of these Member States. In view of the attained levels of transition a more distinct subregional approach will be applied, taking account of the different situations of countries that are members of, or candidates to, the European Union, countries of the Western Balkans and countries of the Commonwealth of Independent States. The cooperation assistance may be co-financed and sometimes co-implemented by the relevant governments and intergovernmental organizations, in particular, the European Union, European Patent Office and the Eurasian Patent Office, as well as development banks or funds-in-trust.

OBJECTIVE

To strengthen the capacity of certain countries in Europe and Asia to fully utilize the IP system for national economic, social and cultural development.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Enhanced role of IP in the development of national policies by better use of the IP system to support national policy objectives.	- Explicit recognition of WIPO's support and input in formulation of national IP strategies and policy directives in a number of countries.
Enhanced compliance of national laws with relevant international standards and trends and increased accession to, and implementation of, WIPO-administered treaties.	- Explicit recognition of WIPO's input in drafting or revision of national laws and regulations on IP in a number of countries.
Enhanced efficiency of national IP administrations.	- More efficient delivery of IP titles, through automation of administrative processes in at least five additional IP administrations. - Improved public service capacity of up to 10 national IP administrations.

Strategic Goal Two: To Integrate IP in National Development Policies and Programs

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Enhanced capacity of R&D organizations, academic institutions, universities, chambers of commerce and industry to identify, use and manage their IPRs.	<ul style="list-style-type: none"> - Number of new IP service units established by R&D organizations, academic institutions and local chambers of commerce and industry. - IP policy guidelines issued by three universities and three R&D organizations.
Strengthened collective management of copyright and related rights.	<ul style="list-style-type: none"> - Explicit recognition of WIPO's input in creation of new, or modernization of collective management organizations.
Enhanced positive public perception of IP.	<ul style="list-style-type: none"> - 20 national customized publications, studies and curricula reflects WIPO's advice and content of WIPO publications.

ACTIONS

The Program will work on the analysis, creation and dissemination of information, background papers and reference materials for IP policy development. It will also manage the organization of national, subregional and regional meetings of policy-makers to consider critical policy issues and support consultations with WIPO to reach greater consensus on the international dimensions of IP. In cooperation with other WIPO relevant programs, the Program will also assist in examining and promoting the role of IP in enhancing industry's (including SMEs) competitiveness and the establishment and development of IP institutions, networks and system, including innovation promotion organizations, to facilitate IP asset management, valuation and commercialization of the results of research carried out by research institutions, universities and enterprises. National efforts to upgrade and strengthen the capacity of IP professionals and the creation of various IP services will be supported and advice on the compatibility of existing legislation with relevant international treaties, and on the preparation and drafting of new legislation, will be provided, as well as assistance, where necessary, with accession processes and implementation phases of WIPO-administered treaties, including the establishment of electronic filing and automated management systems. The Program will also assist with the establishment and development of societies for the collective management of copyright and related rights and the strengthening of IPR enforcement capabilities.

PROGRAM LINKS

This Program will cooperate closely with Programs 1, 2, 3, 4, 5, 8, 9, 10 and 11 and with all programs under Strategic Goals Three and Four.

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
4,813	(in thousands of Swiss francs) 4,530	(283)	(5.9)

• **Program 8: Business Modernization of IP Institutions**

CHALLENGES

In recent years, there has been a significant increase in requests from developing countries, least developed countries and countries in transition, for assistance in the modernization of their IP institutions, in particular, their IP Offices and collective management organizations. A number of reasons may be attributed to this increase. In particular, the growth of IP registration activities in many countries and an increased demand by users of the IP system to reduce the time and cost for granting IP rights have necessitated greater efficiency in the processing of IP applications. There has also been an increased awareness about the use of the IP system to further developmental goals which requires effective means of exploiting IP assets and the rapid developments in the field of information and communication technology and its successful application in many countries to automate IP business processes, has triggered an overall process of change.

Formulating a strategy to provide modernization assistance to IP institutions, with varying levels of capacity, resources, workflow and development, is a complex task, involving a number of diverse factors. Generally, IP business modernization entails review of the institution's automation plan, needs analysis, workload assessment, streamlining and simplification of procedures, customized automation solution for end-to-end IP processing, digitization of paper-based IP records, knowledge transfer training and post-deployment support. About 160 developing countries, least developed countries or countries in transition are potential recipients of modernization assistance, ranging from technical assessment and advice, material and advisory assistance for infrastructure improvements, to comprehensive automation solutions. Whilst recipients of assistance are expected to assume full responsibility of a modernized system, from a sustainability point of view, it is critically important for WIPO to continue to provide technical support, training and undertake periodical evaluations to ensure that the initial objectives have been achieved. This ongoing assistance would be provided to over 40 countries during the biennium. Due to evolving business requirements, coupled with the rapid changes in technology, the IP business process modernization will continue to experience significant changes. The challenge is to remain attuned to these changing circumstances and respond effectively to Member States' requests for assistance.

OBJECTIVE

To enhance the efficiency of IP registration activities through the simplification and automation of business processes.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Enhanced efficiency in business processing through increased use of IT by IP institutions.	<ul style="list-style-type: none"> - Reduction/elimination of backlog of IP applications at 34 industrial property offices. - Improved management of IP titles and related records and their efficient retrieval using electronic tools at 34 industrial property offices. - Establishment of electronic databases and capturing of previous records at 34 IP institutions. - Reduction in time and inaccuracies in the distribution of royalties at eight collective management organizations.

Strategic Goal Two: To Integrate IP in National Development Policies and Programs

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Access to new sets of IP data through the establishment of an Electronic Register of IP assets in developing countries.	<ul style="list-style-type: none"> - 34 IP institutions contribute their IP data to a central register on WIPOnet. - 34 IP institutions are using the Register of IP assets for improved examination of IP applications.
Use of electronic means of communication for work relating to WIPO Registration Treaties.	<ul style="list-style-type: none"> - Additional industrial property offices undertaking electronic communication with WIPO relating to the Madrid Agreement and additional PCT Receiving Offices undertaking electronic communication with WIPO.
Enhanced use of WIPOnet.	<ul style="list-style-type: none"> - An increased number of IP institutions are publishing their web sites on WIPOnet. - Increase in IP specific use of WIPOnet services by IP institutions.

ACTIONS

The Program will respond to Member States' requests for assistance in the automation of their IP Offices and the organizations for the collective management of copyright and related rights. Program delivery will be based upon a well-devised strategy to customize assistance through the application of a wide range of mature services, products and solutions that have been successfully used in the past and will continue to evolve further. The Program will draw upon the institutional knowledge and experience of the Organization and other partners. The existing approach of encouraging the IP Offices, which have achieved automation, to contribute technical expertise to WIPO's endeavors to assist other IP Offices will be further developed. Technical support structures will be strengthened through the use of WIPO trained Focal Points to assist other countries in the region.

In order to ensure sustainability and cost effectiveness, the Program will maximize reliance on the use of local expertise and procurement from the local markets. The presence of WIPO experts in the different geographical regions has proven to be extremely efficient in providing initial assistance and in undertaking follow-up activities in a timely and cost effective manner. Accordingly, the Program will continue to consolidate its regional presence.

The successful completion of the WIPOnet Project has established an excellent platform for Internet based services. The full potential of WIPOnet will therefore be exploited and an integrated solution will be provided to IP Offices that wish to use the Internet technologies to extend their presence. Offices will also be encouraged to publish their databases on WIPOnet.

Electronic communication relating to WIPO's other activities will continue to be supported by further developing WIPO owned IP applications and software. Special emphasis will be given to capacity building at IP Offices through regular on-site and on-line training and sharing of common experiences through collective events, and ongoing post-assistance impact assessments will be conducted. The Program will also collaborate closely with relevant regional and national IP organizations, including the European Patent Office (EPO), African Regional Intellectual Property Organization (ARIPO), *l'Organisation Africaine de la Propriété*

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Intellectuelle (OAPI), the Eurasian Patent Organization (EAPO), Japan Patent Office (JPO), the Korean Intellectual Property Office (KIPO) and IP Australia.

PROGRAM LINKS This Program will cooperate closely with Programs 6 and 7 (for the coordination of country activities and sharing of expenditures); 10 (for the international standards and practices in this field); 16 (PCT for e-filing and Receiving Office systems and procedures); 18 (Madrid, Lisbon and Hague Registration Systems for electronic exchange standards and procedures); 19 and 20 (IPC and International Classifications in the Field of Trademarks and Industrial Designs for their inclusion in WIPO automation products); and 27 (IT) (for WIPO standards and interface to WIPO systems).

RESOURCES*

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
8,076	4,843	(3,233)	(40.0)

* In the 2004/05 biennium, this Program also included resources required for one-time investments in the WIPONET project.

• **Program 9: Collective Management of Copyright and Related Rights**

CHALLENGES

Rights management today is driven by newly emerging global technical practices and standards, aimed at facilitating access to international trade in cultural products, notably music and films. Rights management systems adapted for, or implemented, in countries and countries in transition must function within international systems using these emerging practices and standards. This applies regardless of whether a developing country has up-to-date IP legislation and is complying with relevant international treaties considered as prerequisite legal conditions and an indispensable security framework for the viability of the international market in cultural products.

WIPO will need to support developing countries and countries in transition in responding to the changing requirements of all stakeholders. To yield direct measurable results and added-value for rights holders, support will entail: merging the legal aspects of treaties and laws with much needed practical elements (organization and management of collective management societies), technological infrastructure (documentation systems, links to international databases) and compliance with international data standards and codes (automated licensing and monitoring systems, anti-piracy devices, etc.). Assistance is particularly important for those countries where access to foreign markets represents a potentially important source of income for national artists and creators.

WIPO must continue to address and ensure a place for the works emanating from developing countries, least developed countries and countries in transition. To this end, WIPO will need to continue to assist with the establishment and strengthening of collective management societies in developing countries within the overall copyright context on the one hand and, on the other, in the context of national development policies and goals, whether economic, social or cultural.

OBJECTIVE

To enhance copyright and related rights collective management structures.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Implementation of global strategies for improved knowledge of copyright and related rights management.	- Up to twelve joint initiatives undertaken in cooperation with CISAC and IFRRO for board members and managers of rights management organizations.
Improvement in existing copyright and related rights management organizations, including the integration of digital technologies in their operations.	- Up to ten national and regional databases/systems for more effective management of rights developed and implemented.
Facilitation of the creation of copyright and related rights management organizations.	- Up to six newly created copyright and related rights management organizations worldwide.

ACTIONS

The Program will address the rights of authors, performers, and visual artists, as well as the publishing and phonographic industry, and reprography. National and regional workshops will be organized, and specialized training given to staff in areas of rights management, licensing and tariff/rate negotiations. In addition, studies to clarify current challenges in rights management will be prepared and possible responses formulated.

Model contracts, guidelines, studies and other reference material related to the management of rights (model statutes, etc.) will be prepared, including on licensing and tariff/rate negotiations. Reference material related to policy formulation will be developed and awareness raising programs conducted to enhance the knowledge of the general public, decision makers and enforcement authorities on various aspects of copyright and related rights management systems. Closer cooperation between the rights management organizations and enterprises in the cultural industry sector will also be promoted.

Through Program 9, automated systems will be developed for the operation of copyright and related rights management organizations. The Program will continue to enhance its cooperation with non-governmental organizations and new joint cooperation agreements will be envisaged.

Finally, joint activities at the national and regional levels will be developed within the framework of the cooperation agreements concluded with the International Confederation of Societies of Authors and Composers (CISAC) and the International Federation of the Right of Reproduction Organisations (IFRRO), including joint publications.

PROGRAM LINKS This Program will closely cooperate with Programs 4, 6, 7, 8 and 14.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
2,008	2,114	106	5.3

• **Program 10: IPR Enforcement**

CHALLENGES

Rapid technical and legal developments make the enforcement of IP rights a dynamic field, which is of particular importance to governments, right holders and consumers. In a technological environment that facilitates willful violations of IP rights, and allows infringers to make considerable profits to the detriment of right holders and consumers, the need to put in place and continuously improve efficient enforcement mechanisms, including in the online environment, is at the heart of policy debates and initiatives in many countries and regions around the globe. Despite significant efforts at the international, regional and national levels to render IP enforcement more effective, recent years have been marked by a significant increase of counterfeiting and piracy activities, which has had widespread negative economic impacts and posed considerable health and safety risks for consumers.

WIPO has managed, in the preceding biennium, to place itself prominently in the IP enforcement arena. The Advisory Committee on Enforcement (ACE), created in 2002, held its first sessions in 2003 and 2004, and acts as a forum for international review and discussions on topical issues related to IP enforcement. The expertise of WIPO, as an organization with a global perspective, is increasingly sought to assist in a large variety of needs in the field of IP enforcement, as well as in the global policy debate. This is reflected in the growing number of requests addressed to WIPO concerning advice and assistance in the field of IP enforcement, both from the Member States and from WIPO's cooperation partners.

This Program will address this increasing demand by Member States to render advice on the modernization of enforcement provisions in national legislation. It will also continue to play a leading role in further improving coordination and cooperation between partner organizations with experience in the field of IP enforcement, and in promoting respect of IP rights. Particular emphasis will be put on developing strategies to make IP enforcement more effective, affordable and less time-consuming, and on facilitating an informed and balanced global debate on adequate responses to the challenges to IP enforcement caused by counterfeiting and piracy and the economic consequences of inefficient IP protection and enforcement.

OBJECTIVE

To assist Member States in strengthening their systems and infrastructure for the enforcement of IP rights and to support and enhance an informed policy debate at the international level.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Recognition of IP enforcement as a common global concern and a priority for an intensive and balanced international policy dialogue.	<ul style="list-style-type: none"> - In the annual sessions of the ACE, identification of issues of common global concern in the field of IP enforcement, resulting in commonly agreed conclusions by the Chair. - New strategic partnership and joint activities with other IGOs and NGOs to bundle resources and expertise and make IP enforcement action more coherent and effective.
Integration of IP issues in relevant international and regional agreements, and non-binding instruments.	<ul style="list-style-type: none"> - Explicit recognition of WIPO's support and input in at least one relevant new international or regional agency or process.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Implementation of efficient national, regional or sub-regional IP enforcement systems.	- Explicit recognition of WIPO's support and input in the formulation of concerted IP enforcement strategies in at least four Member States/sub-regions.
Enhanced knowledge and experience of law enforcement officials in handling enforcement matters.	- Explicit recognition of WIPO's support and input in the establishment of more efficient border measures by customs and police officials in additional countries.

ACTIONS

Under the Program, tailored solutions for the modernization of IP enforcement systems will be developed upon request. They will take due account of existing multi-national legal frameworks and reflect the specific needs and concerns of Member States and/or address, if so requested, coherent enforcement mechanisms for several countries of a region and/or sub-region in cooperation with regional or sub-regional organizations. National and regional consultations, pilot programs, legal and technical cooperation activities and awareness raising meetings will be held with a focus on the development and enhanced use of IP enforcement mechanisms.

The Program will also provide a global forum for IP enforcement policy dialogue by preparing and convening regular meetings of the ACE. This dialogue will be supported with detailed information and legal analysis, based on the experience of different countries and regions, in order to facilitate a comprehensive understanding for future action. Conclusions by the ACE will be implemented. Information sharing and discussions will be facilitated by maintaining the Electronic Forum on Intellectual Property Enforcement Issues and Strategies (IPEIS) as an open platform, and by regularly disseminating information on emerging trends and developments in this field on its website.

In addition, the Program will assist Member States in increasing the experience of decision-makers, the judiciary and law enforcement officials in effectively dealing with IP enforcement matters. The development of judicial capacities in order to facilitate effective adjudication of IP disputes will be encouraged and supported, including through the provision of case law compilations as reference material for the judiciary, particularly in developing countries and countries in transition. Structured information and training programs for judicial authorities and law enforcement officials such as prosecutors and customs and police officials will be offered. In this context, cooperation with other organizations will be further increased.

Furthermore, the Program will underscore cooperation with organizations having an expertise in specific areas relating to IP enforcement, such as the World Customs Organization, World Trade Organization, Interpol and the European Communities. This will include regular information exchange and meetings, substantive contributions to information and training material prepared by these partner organizations, and joint events. It will actively participate in defining the further directions of the Global Congress on Combating Counterfeiting. When requested, substantive comments will be provided in the framework of special projects to assist partner organizations in their efforts aimed at the conclusion of international treaties, agreements or recommendations, concerning or related to IP enforcement.

Strategic Goal Two: To Integrate IP in National Development Policies and Programs

PROGRAM LINKS This Program will closely cooperate with all programs under Strategic Goals One (to promote an IP culture), and Two (to integrate IP in national policies).

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
	(in thousands of Swiss francs)		
2,384	2,966	582	24.4

• **Program 11: The WIPO Worldwide Academy**

CHALLENGES

Effective use of IP systems as a tool for economic, social, cultural and technological development requires sufficient human resources capacity at the national level. WIPO's human resources development programs were refocused in 1998 when the WIPO Worldwide Academy (the "Academy") was established with the aim of becoming an international educational institution of excellence for training, teaching and research, to serve as the coordinating and delivery mechanism within the Secretariat of WIPO for IP capacity building and human resources development. Since then, demand for the Academy's programs has not only significantly increased, but also become more diverse and sophisticated. A key challenge for the forthcoming biennium, therefore, is to continue to adapt Academy programs in response to the diversified needs of various categories of users, such as IP professionals, trainers of IP, policy advisors and decision makers, academics, creators, and innovators, as well as other potential IP users and beneficiaries. Another challenge is to continue implementing well-established and regular programs, but with enhanced cost-effectiveness, and a more timely response to the Member States' diversified needs, as well as providing a greater variety of customized programs and effective provision and dissemination of IP educational material. Enhancement of IP teaching in educational institutions worldwide must also continue.

OBJECTIVE

To strengthen national IP human resources capacity and enhance access to IP knowledge.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Increased knowledge of IP.	<ul style="list-style-type: none"> - 3,000 more participants (15,000 in the 2004/05 biennium). - 70 per cent completion rate of distance learning courses.
Enhanced IP skills of government officials in member States.	<ul style="list-style-type: none"> - 90 per cent satisfaction rate with the Academy professional training courses.
Enhanced capacity of IP decision-makers to formulate appropriate policies and make informed decisions for the protection, administration and enforcement of IPRs.	<ul style="list-style-type: none"> - 90 per cent satisfaction rate with the Academy policy development courses.
Increased availability of IP law teaching at tertiary (university) level world-wide.	<ul style="list-style-type: none"> - Three additional academic institutions include IP law in their curricula based on WIPO advice.
Enhanced networking with relevant partner institutions.	<ul style="list-style-type: none"> - Increase in numbers of relevant institutions participating and/or cooperating in the programs of the Academy.
Enhanced IP research profile of the Academy.	<ul style="list-style-type: none"> - 1,000 downloads from the Academy Case Book published on the Internet.

ACTIONS

In the biennium, the existing eight programs will continue to be updated and upgraded and two new programs developed. The Distance Learning (DL) program will be further upgraded and more courses targeting various categories of potential

Strategic Goal Two: To Integrate IP in National Development Policies and Programs

users of the IP system developed and added to the general DL course. Also, content and fee policies will be reviewed for advanced courses. More institutions will be invited to become partners to run DL courses (at the end of 2004, a total of seven educational institutions had included Academy distance learning courses in their academic program).

Government IP officials will continue to be trained in the Professional Training program and, to provide a more multi-disciplinary approach, new theoretical and practical methodologies will be introduced at the intermediate and advanced levels by further strengthening links with the DL program. For policy-advisors and decision-makers in governments and the law enforcement system, including the judiciary, the method of intensive and interactive policy debate in the Policy Development program, will continue with an updated course content to reflect recent IP developments in certain countries. The Colloquium on IP in the context of trade and development and other policies will continue to be organized in cooperation with intergovernmental institutions such as the World Trade Organization.

The IP Teaching program will be expanded using a "train-the-trainers" approach. The Joint IP Teaching programs, leading to the award of degrees/diplomas, will continue, and new ones initiated. A Cooperation and Networking program, connecting international educational and academic institutions, will be strengthened through strategic partnerships with academic institutions with a proven record of excellence, as well as IGOs and NGOs.

The IP Research program, which includes the development of teaching and training materials and curricula on IP, will be further strengthened through the creation of a database compiling sample IP curricula from different universities, and the publication of research papers and study materials on the Academy's web site. A new Business and Scientific Community program will be introduced to address the needs of active users of the IP system, business executives and the scientific community.

The Summer School program will continue to cater to students and young professionals wishing to acquire first-hand knowledge on IP. A Visiting Scholar program will be introduced to give IP scholars the opportunity to interact with WIPO staff and participate in WIPO meetings and training programs. Visits will continue to be organized for students from various universities (Visiting University Students program), with a view to provide them with a working knowledge of IP and a better understanding of the mission and objectives of WIPO. The Academy's web site will continue to be upgraded to become an IP Education Portal with standard training material, lists of references, and general information in the area of IP education.

PROGRAM LINKS This Program will cooperate with Programs 6 and 7 (in particular the Bureaus and Certain Countries in Europe and Asia, for the organization and conduct of its programs in the respective regions) and Programs 12, 13, 14 and 15 (for the development of distance learning courses on the respective subjects).

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
14,264	14,327	63	0.4

• **Program 12: Law of Patents**

CHALLENGES

In a changing environment, where patent law is under increasing public scrutiny, WIPO will continue to address relevant issues relating to the international aspects of the patent system and, in particular, deal with current and emerging issues, as well as continue discussing further improvements of the operational principles and practices, of patent law. The work to be undertaken will be directed towards a number of accomplishments: achieving a better understanding, and clarifying the role, of the principles underlying the patent system; work towards ensuring that the development of the patent system takes into account all interests involved, including those of society at large; address patent issues in a manner consistent with the formulation of national, regional and international strategies for economic development; and address and clarify current and emerging issues relating to patents and provide information on policies, laws and practices relating to those issues. The Secretariat will continue to support the Standing Committee on the Law of Patents (SCP) in addressing patent related issues.

WIPO will also address issues relating to the role and functioning of the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purpose of Patent Procedure and to its further development.

OBJECTIVE

To improve the role of WIPO as a forum for discussion of patent-related issues and to further develop the international patent system, in accordance with the interests and policies of all Member States, and with a view to meeting the needs of users and society as a whole.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Enhanced cooperation among Member States in the area of developing the international patent system.	- Agreement in SCP on work plan and outcome of work plan
Greater understanding of the role of the patent system, including in establishing national policy strategies, and of the application of the relevant patent law principles.	- Statements made by Member States in relevant WIPO fora.
Further international cooperation as regards the Budapest Treaty and its possible development.	- Member States decide to examine further developments and improvements of the Budapest Treaty.

ACTIONS

The SCP will remain the main forum to consider current issues relating to the law of patents, including discussing further improvements of the international patent system and facilitating coordination and consideration of relevant current patent related issues. It is expected that up to four meetings of the SCP will be convened during the biennium. In addition to supporting the SCP, the Secretariat will prepare contributions on relevant current patent related issues for use in policy formulation and implementation, and develop practical tools in respect of the use of the patent system and patent information.

The administration and promotion of WIPO-administered treaties in the area of patents (including the Paris Convention, the Budapest Treaty and the Patent Law Treaty), will consist of promoting the understanding of the international principles relating to the law of patents and advising national governments.

Strategic Goal Three: Progressive Development of International IP Law

The desirability and feasibility of further development of the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the purposes of patent procedure (this may include harmonized rules for public access to deposited biological material and provisions in the Treaty on the time of filing of microorganisms) will be further considered.

The Program will also be responsible to draft, on the basis of a request from Member States, relevant laws and regulations, as well as written legal comments. These drafts and comments will be channeled to the concerned countries through Program 6 (for developing countries), and Program 7 (for countries in transition).

In addition, the Secretariat will provide assistance and information to intergovernmental organizations, United Nations bodies and other parties on issues relating to patent law, and will participate in relevant meetings.

PROGRAM LINKS This Program will cooperate particularly with Programs 16 (Administration of the PCT system) and 17 (PCT Reform), as well as with Programs 6 and 7.

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
(in thousands of Swiss francs)			
2,103	2,996	893	42.5

• **Program 13: Law of Trademarks, Industrial Designs and Geographical Indications**

CHALLENGES

Trademarks, industrial designs and geographical indications are used by commercial operators in competitive markets to reach out to consumers and to add value to products and services. The availability of adequate legal protection and administrative registration procedures is of paramount importance to the proper functioning of the IP system in that area. The increasing complexity prevailing in the acquisition, maintenance and exercise of frequently competing rights derive from the differences in laws and administrative practices in various countries. The evolution of communication technology, such as the Internet, poses additional challenges to the legal principles of industrial property law and to relevant procedures in this domain. Progressive development of international law can contribute to reduce differences and respond to the challenges in this area, and hence fuels demand for the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) to continue its exploration of how further to develop international law in that field, including standards against unfair competition. In recent years, the General Assembly and the Paris Union Assembly have adopted several Joint Recommendations relating to marks. The SCT may wish to formulate additional rules concerning the law of trademarks, industrial designs, and geographical indications. In addition, this work could be advanced using alternative fora, such as international symposia, which provide a platform for an open exchange of views between Member States, administrations, user groups and academia.

Since the adoption of the Trademark Law Treaty (TLT) in 1994, which deals mainly with administrative office procedures, the increasing use by trademark offices of electronic means for filing of trademark applications and related communications, has made its revision and modernization necessary. Therefore, the need for the creation of an Assembly of Contracting Parties, which has the power to modify the Regulations under the Treaty, is further emphasized. Hence there is a clear rationale for a Diplomatic Conference to be held this biennium to consider the revision of the TLT in order to establish a TLT Assembly, to adapt the TLT to the requirements of electronic communications and to revise other procedures under the Treaty.

The application of Article 6~~ter~~ of the Paris Convention for the Protection of Industrial Property is increasingly sought by States party to the Paris Convention and by intergovernmental organizations. In order to offer an improved flow of information, state-of-the-art electronic communication tools for on and off line publication have to be developed and distributed. In particular, the interval for distributing updates to the Article 6~~ter~~ database on CD-ROM, which is currently two years, should be shortened.

OBJECTIVE

To modernize the international legal framework for trademark office administrative procedures and to approximate diverging national and regional approaches in the area of trademark, industrial designs and geographical indications law, including the law against unfair competition.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Revised Trademark Law Treaty.	- Adoption of the revised TLT by a Diplomatic Conference.
Approximation of Member States' laws in the area of trademarks, industrial designs and geographical indications.	- Agreement by the SCT on at least 2 new specific topics to be taken up for further work.

Strategic Goal Three: Progressive Development of International IP Law

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Efficient administration of Article 6 ^{ter} of the Paris Convention.	<ul style="list-style-type: none"> - Processing of 24 Article 6^{ter} communications within a timeframe of 3 weeks as from the receipt of the request for communication. - Following the processing of each request for communication, immediate updating of the Article 6^{ter} on-line database; and, yearly updating of the database on hard carrier.

ACTIONS

A Diplomatic Conference for the Adoption of a revised Trademark Law Treaty is foreseen in the biennium. In addition, regular meetings of the SCT will be convened to consider various issues including the further development of international law concerning trademarks, industrial designs, geographical indications and the law against unfair competition.

The Secretariat will continue to ensure an efficient administration of Article 6^{ter} procedures and to produce publications in the area of trademarks, industrial designs, geographical indications and unfair competition. Also, two worldwide symposia will be organized in cooperation with the Government of interested Member States, one on designs and one on the protection of geographical indications. The Program will also prepare draft laws, written advice and comments on existing and proposed laws, which may be requested by developing countries and countries in transition. These drafts and comments will be communicated to the requesting Member States through Programs 7 or 8, as need be.

PROGRAM LINKS

This Program will cooperate closely with Program 18 (to support the expansion of the International Registration Systems), Programs 6 and 7 (for the promotion of accession to the revised TLT and the effective implementation of international norms in the area under consideration), and Programs 1 and 2 (to provide assistance for all relevant communication activities carried out under those Programs).

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
	(in thousands of Swiss francs)		
4,147	4,954	807	19.5

• **Program 14: Law of Copyright and Related Rights**

CHALLENGES

The WCT and the WPPT, which established the international copyright regime in the digital age, both entered into force in 2002. As of December 31, 2004, 50 States had become party to the WCT and 48 States had become party to the WPPT. In order for these Treaties to become truly universal, however, more accessions are required and the effective implementation and use of the treaties at the national level need to be enhanced. Although the Treaties represent a major step forward in the updating of international copyright and related rights law to the realities of the information society, they do not address the issues of audiovisual performances, broadcasting organizations and non-original databases. A Diplomatic Conference on the Protection of Audiovisual Performances held in December 2000 was unable to reach agreement on all articles of a proposed treaty aimed at strengthening the rights of performers in their audiovisual performances. At its sessions in September 2003 and 2004, the WIPO General Assembly decided that the issue of protection of audiovisual performances would remain on the Agenda of the Assembly for its session of September 2005. The protection of broadcasting organizations has been discussed by the SCCR since 1997. At its session in November 2004, the Chairman concluded that regional consultations, as requested by Member States, should be the next step towards the convening of a Diplomatic Conference on this issue. A possible decision in that respect could be made at the WIPO General Assembly in 2005. Other issues also on the workplan of the Standing Committee include: applicable law in international copyright matters; collective management of copyright; exceptions and limitations to copyright and related rights; technological protection measures and digital rights management; the economics of copyright; resale rights; the ownership of multimedia works; voluntary recordation systems; protection of traditional cultural expressions (folklore); and, the responsibility of Internet service providers.

OBJECTIVE

To improve the protection of copyright and related rights and reach a broad consensus on international copyright law and developments.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Wider adherence and implementation of the WCT and WPPT.	<ul style="list-style-type: none"> - Additional accessions to the WCT. - Additional accessions to the WPPT. - Additional States have adopted effective policies for the implementation of the WCT and WPPT.
Clarification of the international protection of audiovisual performances and broadcasting organizations.	<ul style="list-style-type: none"> - Decisions made concerning the future international protection of broadcasting organizations. - Decisions made on the future work regarding the protection of audiovisual performances.
Improved understanding of non-original databases.	<ul style="list-style-type: none"> - Decisions made concerning the future work on the protection of non-original databases.
Substantive progress on emerging copyright issues.	<ul style="list-style-type: none"> - New emerging issues being addressed by the SCCR.

ACTIONS

Using an inclusive and participatory approach involving all interested parties - governments, creators, industry, civil society, and consumers – this Program will continue to promote the WCT and the WPPT and provide legal assistance in the implementation of these treaties. WIPO will also serve as an important forum for discussion as well as facilitating international consensus-building in respect of negotiations on the protection of the rights of broadcasting organizations and of audiovisual performances. The Standing Committee on Copyright and Related Rights (SCCR) will continue to be the main forum for international review and discussions on topical issues in copyright and related rights and in the development of international laws. The SCCR will be convened on a regular basis during the biennium. While continuing with its ongoing work, the SCCR will also develop as a forum for policy discussions and information sharing on the main trends in copyright and related rights in new emerging fields. WIPO will study and analyze these issues and present them to the SCCR in the form of studies, information materials and discussion papers. The Program will also prepare draft laws, written advice and comments on existing and proposed laws, which may be requested by developing countries and countries in transition. These drafts and comments will be communicated to the requesting Member States through Programs 6 or 7, as need be.

PROGRAM LINKS

This Program will cooperate closely with Programs 6 and 7 (for the promotion of accession to the WCT and WPPT and the effective implementation and use of the treaties at national level), and Program 15 (regarding the protection of traditional cultural expressions (folklore)). It will also cooperate with the work of the WIPO Worldwide Academy (Program 11).

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
6,496	5,683	(813)	(12.5)

- **Program 15: Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources**

CHALLENGES

WIPO's work on traditional knowledge (TK), traditional cultural expressions/folklore (TCEs) and genetic resources (GR) has reached a point of maturity, providing a policy platform that is currently being consolidated in the form of common objectives and core principles for the protection of TK and TCEs, through the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (the IGC). The main challenge for the 2006-2007 biennium is to build on that platform to address strong concerns that many Member States and representatives of Indigenous and local communities continue to express about the misuse and misappropriation of TK, TCEs and GR, and their call for the development of stronger international protection to remedy this.

To this end, the WIPO General Assembly has stressed the need to focus on the international dimension of protection, and raised the possibility of developing an international instrument or instruments. This will entail developing a pathway to political consensus among Member States, as well as providing technical solutions that will accommodate and respect the diversity of the many national and customary laws, and protocols currently protecting and governing TK and TCEs. This work will require initiatives that are coordinated and consistent with a range of other international legal systems and policy processes and the close involvement of representatives of Indigenous and local communities, as well as clarification of a number of foundational issues, such as the desired nature of protection, eligibility of beneficiaries, the core legal doctrines, and legal mechanisms for triggering rights in foreign jurisdictions.

A key requirement is ensuring that protection is to the actual benefit of traditional communities. This will entail: grass-roots dialogue; timely awareness and capacity building, consolidation and sharing of experience of effective use of existing IP tools; adaptation and extension of IP mechanisms; reflection of the perspectives of international actors seeking engagement with WIPO and requesting technical information and analysis; and, to ensure the relevance and impact of capacity-building and information-sharing initiatives, stronger partnerships with other international agencies, representatives of traditional communities and other stakeholders.

OBJECTIVE

To enhance the appropriate and effective protection of TK, TCEs and IP aspects of genetic resources for the benefit and sustainable development of traditional communities.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Consolidation of the legal and policy framework for the protection of TK and TCEs.	<ul style="list-style-type: none"> - Formulation of one or more international instruments. - Use of WIPO policy documents and outcomes in at least one more: <ul style="list-style-type: none"> - regional/sub-regional cooperation initiative; - national policy and capacity building process in an area not previously covered; and, - community and civil society level process involving a range of stakeholders not previously covered.
Enhanced cooperation and coordination between WIPO and other international and regional fora and processes.	<ul style="list-style-type: none"> - Explicit recognition of WIPO's support and input in at least one additional international and regional agency or process.
Enhanced capacity in Member States to support the IP protection of TK and TCEs and to manage the IP aspects of genetic resources, for the benefit of the owners of TK/TCEs and custodians of genetic resources.	<ul style="list-style-type: none"> - At least two additional on-going processes in Member States adapting and applying specific policy and practical tools. - Evidence of specific benefits arising from the use of IP tools by holders of TK/TCEs and custodians of genetic resources.
More effective legal mechanisms in Member States for the protection of TK, TCEs and IP aspects of genetic resources for the benefit of the owners of TK/TCEs and custodians of genetic resources.	<ul style="list-style-type: none"> - Legal mechanisms adapted or introduced in Member States in at least one region which reflect WIPO legal assistance. - Evidence of specific benefits to owners of TK/TCEs and custodians of genetic resources arising from more effective legal mechanisms.

ACTIONS

International and regional policy-level and expert working meetings, including diplomatic or other high-level political conferences, will be convened and supported. Consultations on, and development of, the elements of a potential international instrument or instruments on protection of TK and TCEs, and on IP aspects of genetic resources will be undertaken. Regional and national consultations, dialogue, policy development, practical and pilot programs, technical studies, legal and technical cooperation, and awareness-raising will be conducted and supported, with an enhanced involvement of indigenous and local communities and coordination with other international and community initiatives, and adaptation for specific communities and national systems of practical tools further developed. In cooperation with other concerned international agencies, studies and consultations on the use of existing IP systems and *sui generis* laws, and further international cooperation on the recognition of disclosed traditional knowledge and genetic resources for the purposes of patent procedure, and patent trends and

developments relevant to traditional knowledge and genetic resources will be pursued. Technical and legal assistance and information will be provided to other organizations, United Nations bodies, fora and parties dealing with TK, TCEs and genetic resource issues. Information and capacity-building materials will be developed in collaboration with other agencies and organizations, and related non-governmental organizations. Shared information tools and systems on IP aspects of TK and genetic resources will be further developed in collaboration with other organizations, stakeholders and Member States. Technical, legal and policy analysis and advice will be provided within WIPO and in dialogue with other international organizations, and information meetings and expert working groups organized, as needed, on related global issues. Finally, international cooperation on Indigenous issues will be supported, especially through cooperation with and support for the UN Permanent Forum on Indigenous Issues.

PROGRAM LINKS The Program will have close links with Programs 3, 6 and 7 (concerning cooperation for economic development, economic analysis of IP issues), Programs 19 and 20 (international IP classification and registration systems), Programs 1 (outreach), 2 (interagency coordination and external relations) and 11 (for training) and all Programs responsible for advice to Member States and others on legal and technical issues.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
4,010	4,649	639	15.9

- **Program 16: Administration of the PCT System**

CHALLENGES

In today's changing world, the challenges that WIPO faces in the administration of the PCT system are many and varied. The International Bureau must continue to provide quality services to PCT users on a daily basis in a changing global economic environment and to meet the needs of Member States and IP Offices, taking into account the diversity of their requirements flowing from their respective size and level of development. To this end, the International Bureau will need to: offer value-added services to users of the patent system at large, not limited to users of the PCT system; increase the quality of patent information and legal management products derived from the PCT system; maximize the benefits of an extended IT environment and strengthen the internal management of the system in the transition towards a fully automated internal processing system; ensure satisfactory level of services to internal and external PCT information systems users; implement the necessary modifications on PCT information systems driven by the reform of the IPC; develop and put in place performance indicators aimed at assisting the International Bureau and PCT Offices and Authorities in improving the quality and timeliness of their respective output; introduce risk management policies and practices; endeavor to keep the PCT legal framework in line with developments at the internal operational level and in the IP world at large, in particular through its interface with the Patent Law Treaty (PLT); establish or strengthen excellent customer relationships with users and maintain extensive exchanges of views on the benefits of the PCT system; and, develop and offer diverse continuing education and outreach programs on the PCT system.

OBJECTIVE

To establish the PCT system as the most accessible, reliable and affordable means of obtaining patent protection worldwide.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Increased use of the PCT system.	<ul style="list-style-type: none"> - 126,000 to 128,000 international PCT applications received and processed in a timely manner in 2006. - 132,000 international PCT applications received and processed in a timely manner in 2007.
Increased productivity.	<ul style="list-style-type: none"> - Without increasing the total number of personnel (staff on posts and all other types of employees) in a linear manner (that is, with only a limited increase of staff in areas where increased workloads cannot be absorbed by productivity measures, such as translation), receive and process the increasing total number of PCT applications, as referred to above.
Increased quality of service.	<ul style="list-style-type: none"> - Issue notifications and communications, publish applications, and deliver the required products within the required timelines under the Treaty and Regulations, while the number of international

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
	<p>applications to be processed will increase.</p> <ul style="list-style-type: none"> - Maintain the yearly number of problem cases caused by the International Bureau below 0.1 per cent of the total number of PCT applications (in 2004, there were 122 such cases). - Maintain the yearly number of queries seeking clarification of notifications and communications below 20 per cent of the total number of PCT applications (in 2004, such queries amounted to some 24,400, which corresponds to the 80-20 rule: 80 per cent cases will generally require no explanations while 20 per cent will.)
Simplification of the interface with applicants.	<ul style="list-style-type: none"> - Reduction by at least one form (out of an average of seven) in the number of notifications and communications issued to applicants in an average case. - Availability of at least one on-line service for applicants to access confidential information about their PCT applications. - Availability of more than one on-line service for third parties to access public information about all PCT applications.
Further moving from the mixed paper and IT-based internal processes to full automation for basic processes.	<ul style="list-style-type: none"> - 10 additional processes have become fully automated. - 10 additional processes have become partly automated.
Daily operations of PCT information systems are maintained.	<ul style="list-style-type: none"> - 98 per cent availability for all operations systems during core hours (except planned maintenance). - 95 per cent of publication deadlines met.
Enhanced awareness of the availability of PCT legal advice to applicants and their agents on specific problem cases.	<ul style="list-style-type: none"> - 50 requests for legal advice received from applicants. - 10 articles, references and quotations are referring to PCT legal advice given.
Enhanced awareness of the availability of legal advice and interpretation of legal texts to Member States and IP Offices on	<ul style="list-style-type: none"> - 50 requests for legal advice or interpretation of legal texts received from Member States and IP Offices.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
general PCT matters.	
Increased availability of updated collections of all PCT legal and informative texts in new user-friendly formats.	<ul style="list-style-type: none"> - Availability of updated texts of the PCT, the Regulations and other legal texts: <ul style="list-style-type: none"> - in English and French in sufficient time in advance of their entry into force; - in Chinese, German, Japanese, Russian and Spanish before their entry into force; - in other languages, in particular Arabic, as soon as possible after their entry into force. - Introduction of at least one new type of format for publishing at least the main PCT legal and informative texts.
Improved understanding by the International Bureau of the needs and IP strategies of the top PCT applicants worldwide.	<ul style="list-style-type: none"> - Regular contacts established with the 50 top PCT applicants worldwide at the policy level.
State-of-the-art internal management policies and practices.	<ul style="list-style-type: none"> - Five new policies or practices introduced.

ACTIONS

PCT Operations. The International Bureau processes all PCT applications received from all PCT Receiving Offices worldwide. This includes the formal examination of applications, the translation into French and English of titles and abstracts, the translation into English of international search reports and international preliminary reports on patentability and the coordination of the functions of international search and preliminary examination performed by the international authorities. It also includes the crucial element of publishing the applications. In addition, where the International Bureau acts as receiving Office for applicants from any of the PCT Contracting States, it must, in addition to the actions listed above, carry out all the functions that any PCT receiving Office is entrusted with. With a level of annual filings well above 100,000 new applications per year, the International Bureau continues to render a service of high quality to all users (applicants and their agents, the public at large, IP Offices in their daily PCT functions). It also continues to adapt its workflow methods and automation systems to guarantee the timely and effective processing of all applications and all documents related thereto. In particular, it continues to adapt its workflow and internal processes to the increasing share of international applications filed in fully or partially electronic form. Finally, the International Bureau communicates to PCT Offices and Authorities all data and information they need in their various capacities under the PCT system and ensures that the most adequate means of exchange of data are put in place, including in particular in electronic form or by electronic means. The International Bureau makes available PCT-related statistical data in a user-friendly manner to users and IP Offices and Authorities.

Development of the PCT legal framework. The International Bureau ensures on a daily basis the development, implementation and execution of the PCT legal framework. It also provides PCT users with adequate legal information and guiding principles on how to process their applications, both in general and in accordance

with the specific circumstances of users. PCT legal advice both internally within the International Bureau and externally to users and IP Offices is also provided. Finally, it is available to answer any query from any person worldwide about the functioning of the PCT system in general or in respect of any specific issue, and it does so directly in English, French, German and Spanish. Another main function of the International Bureau is to advise the relevant authorities of the PCT Contracting States and potential Contracting States, as well as the respective IP Offices, on any matter relating to the entry into force of the PCT and consequential implementation and amendment of the national legislation and internal procedures, with particular emphasis on the specific needs of developing countries and LDCs. On a daily basis, the International Bureau is available to staff of all IP Offices in all other PCT functions with the aim to assist them in the most tailored way possible to making best use of the PCT system at their level; it endeavors to increase the periodicity of such exchanges as well as the variety of issues on which assistance can be provided.

Outreach and development of the PCT system. The International Bureau strives to develop excellent relationships with the users of the system taking into account the great variety in user profiles and needs, and emphasizes the importance of regular exchanges of views and feedback from those users. It develops and administers continuing education programs for all types of users and delivers such programs itself or creates the necessary network of locally based tutors. It also endeavors to create at least one specific program and set of materials for selected user groups in each region (Europe, Asia, Africa, Latin America). Finally, the International Bureau makes use of PCT statistical data as it relates to users' filing patterns and prepares training programs and specific advice on filing strategies for such users.

The Program will also cover the cost of the participation of one delegate per member country of the PCT system to the regular sessions of the PCT Assembly (two sessions in the biennium).

PROGRAM LINKS This Program will have close links with Programs 17 and 19, as well as with all Programs under Priority Area II.A.

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
(in thousands of Swiss francs)			
141,751	144,445	2,694	1.9

• **Program 17: PCT Reform**

CHALLENGES

In October 2000, the Assembly of the PCT Union decided to set up a special body to consider proposals for reform of the PCT. The Committee on Reform of the PCT was established and its proposed general objectives and work program were agreed by the Assembly. The Committee and the subsequently established Working Group on Reform of the PCT has developed a number of proposals for amending the PCT Regulations, which were adopted by the Assembly in 2002, 2003 and 2004. These changes are designed to facilitate the filing of international applications and rationalize the international search and preliminary examination system. Further reform of the PCT system is needed in order to ensure that the system continues to meet the needs of applicants and Patent Offices, irrespective of their size, and of third parties, by further improving the quality and timeliness of services provided by the system and enhancing the choice of value-added services available to applicants and Offices. This will result in greater reliance by applicants, Offices and third parties on the products of the PCT procedure and hence reduce work duplication, in line with the objectives of PCT reform agreed by the Assembly and consistent with the formulation of national, regional and international strategies and laws for the use of the patent system as a policy tool to the benefit of countries concerned.

OBJECTIVE

To further modernize, improve and strengthen the PCT system to ensure that the system continues to meet the needs of applicants and all Offices, irrespective of size, and of third parties, resulting in greater reliance on the system and hence less work duplication.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Simplified and improved procedures relating to the filing and processing of international applications.	<ul style="list-style-type: none"> - Adoption by the PCT Assembly of amendments to the PCT Regulations regarding the restoration of the right of priority, remedies where parts are missing, and rectification of obvious mistakes. - Feedback from applicants. - Feedback from Offices.
New value-added services and more useful products available under the PCT system.	<ul style="list-style-type: none"> - Adoption by the PCT Assembly of amendments to the PCT Regulations concerning supplementary international searches, central recording of changes, signature requirements, and international publication in multiple languages. - Feedback from applicants. - Feedback from Offices.

ACTIONS

At least four meetings of the Committee and/or the Working Group on Reform of the PCT will be convened to consider proposals for reform of the PCT system, in particular, by way of amending the PCT Regulations, such as proposals to: improve current procedures (restoration of the right of priority, remedies where parts are missing, and rectification of obvious mistakes); simplify the processing of

Proposed Program and Budget for 2006/07

international applications (electronic filing and processing, signature requirements and workflow rationalization); and, add new services to the system (supplementary international searches, central recording of changes and international publication in multiple languages). In addition, the Program will convene, and participate in, meetings of users of the system (PCT Offices, Authorities and applicants) related to PCT reform, and promote PCT reform activities and results. Feedback from the users of the system (applicants and Offices) will be systematically collected in order to validate the extent to which the PCT reform process is benefiting all users.

PROGRAM LINKS This Program will cooperate closely with Programs 6 and 7 (possible use of the PCT as a tool to integrate IP in national development process), 16 (Administration of the PCT system), 12 (further development of discussions on substantive issues, harmonized principles and procedural aspects of international IP law) and 15 (further development of discussions on the international dimension of IP and Genetic Resources, TK and Folklore).

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
2,242	2,301	59	2.6

- **Program 18: Madrid, The Hague and Lisbon Registration Systems**

CHALLENGES

The Madrid System: The Madrid System (as governed by the Madrid Agreement and Protocol Concerning the International Registration of Marks) facilitates acquisition and maintenance of protection for trademarks and service marks at the international level through the filing of a single application and the management of a single registration. As of December 31, 2004, 76 States and one intergovernmental organization were members of the Madrid System. The International Bureau processes international applications, renewals, subsequent designations and changes concerning international trademark registrations, as well as refusals of protection and other notifications. The increased number of contracting parties has created challenges in terms of the volume of operations that the International Bureau has to cope with and the need for the International Bureau, in cooperation with the offices of the contracting parties, to find ways and means to establish the smoothest possible procedures for the communication of notifications between them under the Madrid system. A total of some 29,000 international applications were received by the International Bureau in 2004, and a total of some 32,000 international applications are expected in 2005. Regarding renewals, due to a change in the renewal period from 20 to 10 years, a much higher number of renewals is expected as from the year 2006.

The Hague System: The Hague System for the International Registration of Industrial Designs facilitates the acquisition and maintenance of protection for industrial designs, at the international level, through the filing of a single application and the management of a single registration. It is governed by the 1934, the 1960 and the 1999 Acts of the Hague Agreement. By December 31, 2004, 40 States were party to one or several of these Acts. A total of some 1,400 international applications were received by the International Bureau in 2004, and a total of some 1,300 international applications are expected in 2005. New accessions of States and/or intergovernmental organizations to the 1999 Act are likely to occur in the 2006/07 biennium.

The Lisbon System: The Lisbon System for the International Registration of Appellations of Origin facilitates the protection of appellations of origin at the international level through the filing of a single application for registration. It is governed by the Lisbon Agreement of 1958 which, by December 31, 2004, had 22 member countries. There are relatively few entries in the international register established under the Lisbon Agreement, and no estimate of new registrations during 2006-2007 is given since they would have marginal impact on the overall operations under this Program.

Development and promotion of the international registration systems: Further automation of the relevant procedures should be pursued as a priority. At the same time, an ongoing challenge is to seek to expand the geographical coverage of the Madrid Protocol and the 1999 Act of the Hague Agreement, the benefits of which are only available to applicants from contracting parties and extend only to the territories of contracting parties. Expansion of the use of the international registration systems also remains a challenge and requires that the systems remain attractive for users and responsive to their needs. To this end, the legal framework must be adapted to new situations and the evolving needs of users. In addition to amendments that may result from the reviews specifically provided for in the Madrid Protocol, other changes to the procedures under the international registration systems may also need to be explored.

OBJECTIVE

To maintain efficient and cost-effective administration of the international registration systems and to promote their development and use.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS																											
Increased use of the Madrid System.	<div>- Applications for international trademark registration and renewals received and processed as follows:</div> <div><div><div></div><div></div><div></div></div><table><tr><td></td><td><u>2006</u></td><td><u>2007</u></td></tr><tr><td>Int. applications</td><td>34,400</td><td>35,400</td></tr><tr><td>Renewals</td><td>13,700</td><td>14,200</td></tr><tr><td>Total</td><td>48,100</td><td>49,600</td></tr></table><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><table><tr><td>Subsequent</td><td></td><td></td></tr><tr><td>Designations</td><td>11,000</td><td>11,500</td></tr><tr><td>Other changes:</td><td>68,700</td><td>72,100</td></tr><tr><td>Refusals and related</td><td></td><td></td></tr><tr><td>Notifications:</td><td>166,200</td><td>174,500</td></tr></table></div>		<u>2006</u>	<u>2007</u>	Int. applications	34,400	35,400	Renewals	13,700	14,200	Total	48,100	49,600	Subsequent			Designations	11,000	11,500	Other changes:	68,700	72,100	Refusals and related			Notifications:	166,200	174,500
	<u>2006</u>	<u>2007</u>																										
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Other changes:	68,700	72,100																										
Refusals and related																												
Notifications:	166,200	174,500																										
Increased use of the Hague System.	<div>- Applications for international industrial design registration and renewals received and processed as follows:</div> <div><div><div></div><div></div><div></div></div><table><tr><td>Int. applications:</td><td>1,500</td><td>1,600</td></tr><tr><td>Renewals:</td><td>3,600</td><td>3,800</td></tr><tr><td>Total:</td><td>5,200</td><td>5,400</td></tr></table><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><table><tr><td>Total number of designs</td><td></td><td></td></tr><tr><td>Contained in the</td><td></td><td></td></tr><tr><td>Applications:</td><td>9,500</td><td>10,000</td></tr></table><div>- Changes:</div><table><tr><td></td><td>2,800</td><td>3,000</td></tr></table></div>	Int. applications:	1,500	1,600	Renewals:	3,600	3,800	Total:	5,200	5,400	Total number of designs			Contained in the			Applications:	9,500	10,000		2,800	3,000						
Int. applications:	1,500	1,600																										
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Total number of designs																												
Contained in the																												
Applications:	9,500	10,000																										
	2,800	3,000																										
Swift, reliable and cost-effective processing of transactions under the international registration systems.	<div>- Timeliness of registration and other recordings.</div> <div>- Efficiency-gains in the processing of Madrid and Hague applications.</div>																											
Increased international coverage of the Madrid and Hague systems.	<div>- New contracting parties to the Madrid Protocol.</div> <div>- New contracting parties to the 1999 Act of the Hague Agreement.</div>																											
Improved legal framework for obtaining protection of rights registered under the international registration systems.	<div>- Adoption by the Madrid Union Assembly of amended provisions to the Common Regulations and the Madrid Protocol.</div>																											

ACTIONS

The International Bureau processes applications for international registration, renewals of registrations, subsequent designations, changes in the registrations and refusals by Contracting Parties, up to the recording of these steps as well as supplies extracts, certified extracts and certified copies. In order to ensure the quality of operations, work practices and internal procedures will be reviewed and improved, including in connection with the expansion of electronic communication and the introduction of electronic filing facilities. This will entail an enhancement of

Strategic Goal Four: Delivery of Quality Service in IP Protection Systems

the electronic communication with the offices of the Contracting Parties through the development of electronic communication standards between the International Bureau and the Contracting Parties. In addition, electronic communication with users, and the use of related databases through the Internet, will be further developed. The International Bureau also issues communications and notifications to the offices of the Contracting Parties, applicants and right holders, and publishes, after translation into the working languages of the relevant system, the WIPO Gazette of International Marks, International Designs Bulletin and Appellations of Origin, in paper form and/or on electronic carriers. Relevant databases (e.g. ROMARIN) will be continuously maintained and further improved.

Advice to governments and to offices of Contracting Parties on legal and procedural questions arising from the implementation of the international registration systems, and to users on similar questions arising from the use of the systems, will continue to be provided. Training will be provided to officials from the offices concerned as well as to users and potential users. In addition, general information, training material and relevant studies on the international registration systems will be developed from the viewpoint of business competitiveness and trade development.

Meetings with government representatives will take place on a permanent basis to consider, and exchange views on, policy issues concerning the development of the registration systems for trademarks, industrial designs and geographical indications. Also, the acceptance of the latest Acts of the international registration treaties by new Contracting Parties will be promoted, and assistance will be provided to those Parties for the implementation of the provisions in their domestic law. Proposals aimed at improving the procedures that apply under the international registration systems will be prepared, with the help of working groups to be convened by the Director General, to be considered by the Madrid, Hague or Lisbon Union Assembly, and, whenever required, extraordinary sessions of the said Assemblies will be convened (in addition to their regular sessions) to consider questions requiring amendments to the Regulations of the treaties concerned, for example, as a result of the reviews provided for in the Madrid Protocol concerning the refusal procedures of its Article 5(2)(b) and (c), or concerning the safeguard clause of its Article 9*sexies*. The Program will also cover the cost of the participation of one delegate per member country of the Madrid system to the regular sessions of the Madrid Assembly (two sessions in the biennium).

PROGRAM LINKS This Program will cooperate with Programs 13 (for the preparation of studies on issues relating to the law of trademarks and industrial designs), Program 20 (for the proper classification of trademarks and industrial designs), and Programs 1 and 2 (for the promotion of accession to the Madrid Protocol and the 1999 Act of the Hague Agreement).

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
	(in thousands of Swiss francs)		
36,386	41,949	5,563	15.3

• **Program 19: Patent Information, Classification and IP Standards**

CHALLENGES

The principal challenge regarding patent information is to enhance the awareness, standardization and documentation of information available in IP databases, to ensure efficient access to industrial property information contained in IP Digital Libraries (IPDLs). In particular, a search guidance system is needed to allow for improved and more consistent database access.

The reformed IPC will need to be promoted actively to ensure the successful transfer of IP Offices to the reformed IPC. Small and medium-sized Patent Offices will require particular assistance in this regard. The timely electronic publication of the advanced level of the reformed IPC (RIPC), in its two authentic languages (English and French), must also be ensured.

Finally, ongoing discussions on the future evolution of the Annual Technical Reports (ATRs) on patent, trademark and industrial design information activities of IP offices worldwide are expected to conclude during the biennium.

OBJECTIVE

To increase the efficiency of the use of IP information and documentation by IP Offices, applicants and the general public worldwide.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Enhanced ease of use of IPDL databases.	- Adoption of recommended standards for IPDL data contents and formats.
Improved and consistent access to databases containing scientific and technical literature.	- All PCT International Searching Authorities are regularly using the databases containing scientific and technical literature.
Broad use of the reformed IPC by IP Offices.	- All IP Offices using the current edition of the IPC (about 100 as of December 2004) are effectively applying the reformed IPC.
Efficient functioning of the new IPC revision procedure.	- Increase in the number of entries and other amendments introduced in the eighth edition of the IPC.
More consistent and efficient documentation, dissemination, exchange, sharing and retrieval of IP information.	- New WIPO Standards and revisions to existing WIPO Standards adopted by the SCIT Standards and Documentation Working Group (SDWG).
Enhanced awareness of activities carried out by IP Offices worldwide.	- The number of Annual Technical Reports on patent, trademark and industrial design activities made available on WIPO's website.
Timely electronic publication of the Advanced level of the RIPC.	- Publication of new versions of the advanced level of the RIPC within the timeframe prescribed by the IPC revision procedure.

Strategic Goal Four: Delivery of Quality Service in IP Protection Systems

Enhanced facilities for using CLAIMS categorizations and national language search in the RIPC.	- Three additional working RIPC languages supported by CLAIMS categorization and by natural language search in the RIPC.
Improved access to IP information and increased use of WIPO industrial property information services.	<ul style="list-style-type: none"> - Online search tools available developed in cooperation with KIPO and JPO. - 10 per cent increase in searches carried out by WIPO and partner organizations per year.

ACTIONS

A discussion forum for IP Offices will be established for the elaboration of standards concerning the data content and format in the IPDLs and proposals will be submitted for consideration by the SCIT. A set of databases containing scientific and technical literature, which can be recommended for use by IP Offices, will be compiled with the participation of PCT International Searching Authorities. Regular meetings of the IPC Revision Working Group will be convened to consider proposals for revision of the core level of the IPC, while revision of the advanced level of the IPC by the Special Subcommittee will be closely monitored by the International Bureau. The IPC Committee of Experts will, at its meetings, supervise the revision and other development of the IPC and provide guidance for further work.

The RIPC tutorials will be considerably improved to enhance the training of patent examiners and national language search will be provided for in the RIPC in more RIPC working languages for the promotion of the RIPC for the general public. Regarding categorization in the RIPC, key technological fields for small and medium-sized Patent Offices will be identified through access to the Master Classification Database and documents will be extracted to improve RIPC categorizer training documents in these fields.

Technical assistance will also be provided for the translation into French of the advanced level of the IPC and to small and medium-sized Patent Offices for translating the RIPC into their national languages. Services will continue to be provided to developing countries for assisting them in carrying out patent information search.

Finally, the new and revised WIPO Standards will be published, Annual Technical Reports prepared by Intellectual Property Offices will be processed and published, the WIPO *Handbook on Industrial Property Information and Documentation* will be revised, and a new publication platform for the Handbook will be developed.

PROGRAM LINKS

This Program will cooperate closely with Program 16 (to implement PCT operations developments in patent information and the IPC), Program 18 and Programs 6 and 7 (to provide services to national IP Offices and other users of IP information and documentation in developing countries and countries in transition).

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
(in thousands of Swiss francs)			
4,778	5,459	681	14.3

• **Program 20: International Classification in the Field of Trademarks and Industrial Designs**

CHALLENGES

WIPO administers three treaties in the field of the classification of trademarks and industrial designs, known as the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (of 1957), the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks (of 1973) and the Locarno Agreement Establishing an International Classification for Industrial Designs (of 1968). By December 31, 2004, the number of Contracting Parties to the Nice Agreement, the Locarno Agreement and the Vienna Agreement amounted to 74, 44 and 20 States respectively.

The international classifications established by those treaties are important tools for the proper administration of an intellectual property system. They organize commercial and technological information relating to trademarks and industrial designs into indexed, manageable structures for easy retrieval, which is critical for the protection of industrial property, for the business community and for research and development purposes. The international classifications need to be updated regularly to take account of changes and advances in technology and commercial practices, and to correspond to the constantly changing and growing needs of the industrial property offices of States that are party to the treaties, and those that voluntarily use the classifications without being Member States of the related Agreements, as well as various other users. The constantly increasing number of countries that become party to the Agreements makes further modernization of the classifications indispensable and requires the International Bureau to work towards harmonization in the application of the classifications.

OBJECTIVES

To enhance the administration of the international trademark and design systems.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Updated and improved international classifications.	<ul style="list-style-type: none"> - Adoption of new entries and amendments to the Nice, Vienna and Locarno Classifications. - Publication of a new edition of the Nice classification. - Preparation of new editions of the Locarno and Vienna classifications.
Wider acceptance and more effective use of the international classifications	<ul style="list-style-type: none"> - New Contracting Parties to the Classification Agreements. - Increase in the number of countries applying the latest version of the international classifications.

ACTIONS

Meetings will be held to consider and decide on changes to the Nice, Vienna and Locarno Classifications. New editions of the classifications, on different media, will be prepared, in line with the normal updating cycle. Advice and assistance will continue to be provided to industrial property offices, other searching institutions and the general public on the proper application of the classifications concerned through correspondence, publication of notices or recommendations. Training courses, seminars or workshops will be conducted to widen acceptance of the classifications and improve their application. Finally, modern software and multimedia tools will be installed for the purpose of reaching the widest possible

Strategic Goal Four: Delivery of Quality Service in IP Protection Systems

circle of users and allowing them to apply the classifications in the most efficient possible way.

PROGRAM LINKS This Program will cooperate closely with Program 18 (for the proper application of the classifications of trademarks and industrial designs and for their promotion), and with Programs 6 and 7 (for the promotion of a wider acceptance and more effective use of the international classifications).

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
1,080	1,270	190	17.6

(in thousands of Swiss francs)

- **Program 21: Arbitration and Mediation Services and Domain Name Policies and Procedures**

CHALLENGES

The WIPO Arbitration and Mediation Center ("Center") is the global leader in the provision of services for the effective resolution of Internet domain name disputes. This concerns the administration of domain name complaints filed with the Center as well as the provision of advice on the establishment of dispute policies. In addition to its domain name activities, the Center occupies the position of principal international resource center in the area of arbitration and mediation of intellectual property disputes. The increasing importance of IP rights and transactions in relation to such rights demands procedures that can accommodate the growing complexity of disputes resulting from such transactions while providing a time and cost effective alternative to court litigation.

At the end of 2004, the Center had processed over 20,000 fee-based domain name disputes, including some 7,000 cases under the Uniform Domain Name Dispute Resolution Policy (UDRP), the principal policy that applies to all registrations in the generic Top-Level Domains (gTLDs). Against the background of the increasing numbers of cases, dispute policies, case languages, and domain name scripts, quality performance and timely administration of cases in compliance with the rules and the maintenance of the Center's infrastructure are the main challenges.

The number of gTLDs and registrations in such domains have been increasing. Also, the number and share of country code Top-Level Domain (ccTLD) registrations has been undergoing vigorous growth. An increasing number of ccTLD registration authorities is appointing WIPO as dispute resolution provider. Against this background, the legal framework for the protection of intellectual property in the Internet Domain Name System (DNS) needs to be further enhanced, in particular in relation to the creation of dispute policies. This will include follow-up on the recommendations of the WIPO General Assembly in relation to the possible protection in the DNS of certain identifiers other than trademarks.

In addition, the Center will address the need for an enhanced awareness on how cross-border and domestic disputes may be resolved through the use of alternative dispute resolution methods. To facilitate the appointment of quality neutrals, the Center's database of intellectual property-specialized arbitrators and mediators from all regions needs continuous updating. This includes the addition of neutrals from developing countries and countries in transition.

OBJECTIVE

To enhance IP protection through the resolution of IP disputes by arbitration and mediation, and to enhance and the legal framework for the protection of IP in the Internet Domain Name System.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
International and domestic IP disputes are increasingly resolved through arbitration and mediation services.	- 10 per cent increase in the number of arbitration and mediation cases handled by the Center.

Strategic Goal Four: Delivery of Quality Service in IP Protection Systems

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Effective IP protection in the gTLDs.	<ul style="list-style-type: none"> - 2,200 gTLD UDRP cases resolved. - Implementation by ICANN and other relevant bodies of the recommendations and decisions by the WIPO General Assembly including issues raised by the WIPO Internet Domain Name Processes.
Effective IP protection in the ccTLDs.	<ul style="list-style-type: none"> - 140 ccTLD UDRP-based cases resolved. - Eight more ccTLD administrators with improved design or administration of IP protection mechanisms, including dispute resolution procedures.

ACTIONS

The Center will continue to administer disputes under the WIPO Mediation, Arbitration and Expedited Arbitration Rules and provide referrals of neutrals from the WIPO list of neutrals. The resolution of intellectual property disputes will be promoted by developing and conducting special training programs for IP professionals from different countries to acquire arbitration and mediation skills, as well as organizing conferences in this area. To this end, information related to intellectual property arbitration and mediation will be produced and published as well. Training and outreach programs will also be developed with other institutions, in particular in developing countries and countries in transition, designed to increase the number of WIPO neutrals from these countries. The efficiency of arbitration and mediation procedures will be enhanced by the provision of advanced filing facilities, in particular through the application of information technology.

Domain name cases filed with the Center will continue to be administered. Domain name workshops, as well as meetings of WIPO domain name panelists will be organized and domain name dispute resolution procedures, will be drafted in cooperation with gTLD registration authorities.

The implementation of the WIPO ccTLD Best Practices for the Prevention and Resolution of Intellectual Property Disputes will be facilitated, in particular through the drafting of domain name dispute resolution procedures in cooperation with ccTLD registration authorities.

Finally, developments, which may call for new measures, aimed at improving the protection of IP and related identifiers in the Domain Name System, will be closely monitored and the Center will liaise with relevant institutions and organizations in this regard.

PROGRAM LINKS The Center will closely cooperate, in particular, with Programs 3, 6, 7, 16 and 17.

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
5,802	(in thousands of Swiss francs) 6,519	717	12.4

• **Program 22: Direction and Executive Management**

CHALLENGES

The increasingly complex and dynamic evolution in the IP policy context worldwide, including the growing and evolving role of IP as a policy tool for economic, cultural, and social development is presenting WIPO and its Member States with crucial and difficult challenges as to how appropriate IP policies and strategies should be formulated, readjusted and implemented, bearing in mind the increasingly complex and cross-cutting diverse interests and concerns of various stakeholders. On the basis of input and advice from Member States, and special advisory bodies such as the Policy Advisory Committee (PAC) and the Industry Advisory Committee (IAC), the Director General will ensure that WIPO meets these challenges through the development and implementation of appropriate IP strategies and policies, which reflect the views of other stakeholders, as appropriate.

A critical factor for ensuring an appropriate response to the dynamic international IP environment and the diverse needs of the Member States and other stakeholders, will be a greater coordination within the Secretariat. This coordination is needed to ensure overall cooperative efforts from the various sectors to deliver the best services while avoiding duplication. To that end, it will be necessary to enhance internal coordination mechanisms and improve working procedures to ensure coherence and integration of various programs. This would reinforce a better use of resources and increase the efficiency of the International Bureau. Efficient and effective administrative and logistic support to the Director General, as well as the efficient functioning of protocol arrangements, will also continue to be crucial for a smooth functioning of the Direction and Executive Management function.

Concerning the Office of the Legal Counsel, one of the main challenges will be to ensure continued respect for the rules and procedures governing all the activities of the Organization, including the process leading to the construction of the new administrative building, while maintaining respect for the privileges and immunities, and the legal status of the Organization and of its staff members. Another major challenge will be to cope with a continuing increase in depositary functions, and provide adequate Secretariat services to upcoming diplomatic conferences and other meetings of Member States. Finally, there has been a dramatic increase in applications for observer status and participation by non-governmental organizations in the Assemblies and other meetings of the Organization, requiring adequate responses to the legal, procedural and administrative aspects resulting from the increasing participation of such organizations.

OBJECTIVE

To assist the Director General in the effective and efficient management of WIPO's programs and responsiveness to the global IP challenges, and to assist and advise the Director General, the constituent organs of the Member States and the Secretariat on legal, administrative and constitutional matters, and to ensure that WIPO complies with its internal regulations and rules and applicable law.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Appropriate reflection in WIPO's strategic planning, policy development and programs of the policy input and strategic direction provided by the Assemblies of the Member States, international policy trends and the needs of the market sector.	<ul style="list-style-type: none"> Member States' support for WIPO planning documents (Medium-term Plan and Program and Budget documents) and Program Performance Reports.

Strategic Goal Five: Greater Efficiency of Management and Administrative Support Processes within WIPO

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Timely quality advice and assistance to the Director General, the Member States and the Secretariat, on a wide range of legal issues related to the work of the Organization.	<ul style="list-style-type: none"> - Positive feedback on the appropriateness, timeliness and effectiveness of the advice provided.
Enhanced efficiency of the Organization's depository functions, including registration and certification.	<ul style="list-style-type: none"> - Reduction in the time for processing the notifications of adherence and other treaty actions from an average of seven days in 2005 to an average of four days.
Availability of an easily accessible treaties database.	<ul style="list-style-type: none"> - Finalization and maintenance of the treaties database.
Legally satisfactory conclusion of questions concerning contracts, construction, purchases, licenses, insurance, Funds-in-Trust and banking agreements.	<ul style="list-style-type: none"> - Reduction of legal claims in respect of agreements between WIPO and third parties. - Satisfactory performance of the Organization <i>vis-à-vis</i> its legal obligations.

ACTIONS

Adequate advice will be provided to the Director General on overall strategy, policy development and program-related affairs, and the functioning of adequate executive management mechanisms will be supported, including the Senior Management Team. An ongoing active dialogue with Member States and a broad range of stakeholders will continue to play an important role in informing the Director General of relevant developments with potential impact on policy and strategy directions and external relations.

Activities of the International Bureau, which would benefit from increased coordination, will be identified and mechanisms developed to increase the dialog and mutual understanding between the various sectors. In cooperation with program managers, internal procedures within and throughout the different sectors will be reviewed and new mechanisms for their effective functioning will be developed. Best practices for internal coordination in other UN agencies and IGOs will be studied to ascertain their relevance for WIPO.

Furthermore, general administrative support will be provided to the Director General, including the preparation of correspondence, speeches, briefing materials and statements as well as substantive support and follow-up to the Senior Management Team meetings and decisions. Administrative support will also be provided with regard to the Policy Advisory Commission and the Industry Advisory Commission.

The Office of the Legal Counsel will assist and advice different bodies of the Organization, consistent with international law and agreements entered into by the Organization. It will also monitor, review, analyze and report on legal developments and other emerging issues linked to international law and WIPO's activities, as well as the formulation of recommendations thereon. The activities of the Office will be aimed at pursuing WIPO's interests in the resolution of legal disputes involving the Organization, and the representation of the Organization in legal proceedings, negotiations or other legal procedures. It will participate in the negotiation, drafting, review, implementation and modification of contracts and agreements entered into by the Organization. The Office will also enhance its

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relationship and exchange of information and experience with the Legal Counsel divisions of other UN system organizations.

PROGRAM LINKS Extensive liaison with all Programs.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
14,246	13,977	(269)	(1.9)

Program 23: Budget Control and Resource Mobilization

CHALLENGES

The key challenge facing the Office of the Controller is to ensure that resources are utilized in the most effective and efficient way to delivering results based on the Organization's priorities, as decided by the Member States. This requires: sound internal budget control mechanisms; continued and targeted efforts to achieve value for money and efficiency in program delivery; and, a strengthened results-based management framework that enables meaningful evaluation of the impact of the Organization's activities and its use of resources as measured against clearly stated objectives, expected results and performance indicators.

At a time when the Organization's income is entering a period of more moderate growth, a more active approach is needed to maximize the resources available to help meet an increasing demand for the services of the Organization. For some time, a number of Member States have provided extra-budgetary resources, mainly under fund-in-trust arrangements, and provided an important contribution to the work of the Organization. To build on this, the Office of the Controller will be responsible for designing and implementing a more proactive strategy aimed at mobilizing additional extra-budgetary resources, in particular for technical cooperation activities. These additional extrabudgetary resources must also be found through new partnerships, which will help expand WIPO's capacity-building and outreach activities and open new areas of cooperation.

OBJECTIVE

To ensure sound budgetary control and management and cost-effectiveness, and to develop a strategy for extrabudgetary resources mobilization for WIPO activities, in particular for technical cooperation.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
More efficient budgeting and use of WIPO's resources.	Progress on efficiency targets set out in the Program and Budget document (reported on in quarterly financial reports to senior management and the regular program performance reports to Member States). No remarks in the biennium from the External Auditor or the Internal Auditor concerning budget control and budget management practices.
An increase in the availability of extra-budgetary resources for WIPO program activities, in particular technical cooperation.	Additional extrabudgetary funding schemes under negotiation as agreed.

ACTIONS

The Office of the Controller will allocate financial resources in accordance with the approved Program and Budget and ensure that these resources are used cost-effectively and in accordance with the Financial Rules and Regulations. In a strengthened results-based management environment the Office of the Controller will work closely with the Office of Internal Audit and Oversight, and the Office of Strategic Planning, to ensure that resources are best directed towards achieving results. In addition, in 2006/07 the Office of the Controller will assist in developing a more proactive strategy for extrabudgetary resource mobilization. The Program will also cover the cost of the desk-to-desk assessment of human and financial resources of the Organization to be incurred in 2006 (JIU report).

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PROGRAM LINKS The Office of the Controller works closely with all areas of the Organization. The extrabudgetary resource mobilization function will have close links, in particular, with Programs 3, 6, 7, 8 and 11.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
3,521	4,513	992	28.2

• **Program 24: Internal Oversight**

CHALLENGES

The oversight functions of internal audit, evaluation, inspection and investigation, are essential to ensure accountability, effectiveness, relevance, efficiency, and integrity of WIPO's operations. The main challenge during this biennium will be to strengthen the existing oversight structure and enhance its contribution to the management of the Organization, in accordance with expectations of Member States.

Program managers are increasingly using results-based frameworks to plan, monitor and evaluate their programs. However, performance assessment must be further strengthened and evaluation still needs to be fully integrated into WIPO's Results Based Management system as a management tool, to ensure that performance information is adequately fed into the decision-making process. At the project level, evaluation components need to be added to project planning and monitoring phases, including Funds-in-Trust, thereby contributing, through lessons learned, to institutional learning.

Internal audit needs to be further strengthened to improve organizational management controls, accountability, risk assessment and efficiency. The use of the inspection function to identify vulnerable areas and malfunctions should also be enhanced on the basis of the Internal Audit Charter approved by Member States. In addition, the investigation function (a legally-based and analytical process designed to gather information to determine whether wrongdoing occurred) also requires further strengthening and streamlining given the size of the Organization and the level and number of financial transactions.

International developments in the field of internal oversight have an important impact on WIPO's internal audit, evaluation and investigation work. Continuous cooperation with the internal oversight community, including other UN agencies, multilateral development financial institutions and relevant international associations, therefore continues to be important.

OBJECTIVE

To enhance the relevance, effectiveness, efficiency, accountability and integrity of the Organization's operations and activities.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Evaluation is integrated into WIPO's Results Based Management system.	<ul style="list-style-type: none"> - An evaluation plan outlining major evaluations to be conducted is approved and implemented. - A mechanism for the dissemination of lessons learned and follow-up of recommendations is approved and implemented. - WIPO Evaluation Policy is approved internally and presented to Member States.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Stronger in-house commitment to, and skills for, evaluation.	<ul style="list-style-type: none"> - Evaluation components are added to the planning and monitoring phases of 50 per cent of new WIPO's projects, including Funds-in-Trust. - Member States note an increased focus on outcomes in WIPO Program Performance Reports.
Full compliance, by the Organization, with WIPO's regulations, rules and procedures.	<ul style="list-style-type: none"> - External and Internal Auditors' recommendations are fully implemented.
A streamlined investigation framework is in place.	<ul style="list-style-type: none"> - All audit reports recommending an investigation are duly followed-up.

ACTIONS

Emphasis in the biennium will be on promoting an organization-wide evaluation culture at all levels and ensuring that evaluations are planned and conducted in accordance with previously established evaluation plans. In addition, procedural and administrative mechanisms are required to ensure wide and transparent dissemination of information generated by evaluations, including lessons learned, and the timely follow-up to recommendations contained in evaluation reports. Besides conducting evaluations, training of program managers and the development of adequate evaluation policies and tools will constitute an important part of the work to be accomplished in the biennium.

Based on the WIPO Internal Audit Charter approved by Member States, annual audit plans will be developed for conducting financial, operational and management audits. Cooperation with, and financial support to, the External Auditors, will continue to be provided, resulting in synergies aimed at ensuring full compliance with WIPO's Financial Rules and Regulations.

PROGRAM LINKS

The Internal Audit and Oversight Division will work closely with all areas of the Organization.

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
	(in thousands of Swiss francs)		
1,333	1,781	448	33.6

• **Program 25: Human Resources Management**

CHALLENGES

Human Resources management comprises: engagements, entitlements and classification, social security and welfare, staff development and healthcare. In a time of limited financial resources, the main challenge is to provide adequate staffing to all WIPO area in the most cost-effective manner, as well as timely and appropriate deployment of staff for priority activities. This requires identifying staff of the highest caliber, reflecting appropriate gender balance (in 2004, women in professional posts represented 47 per cent, and women in the higher categories represented 15 per cent) and geographical distribution (95 nationalities were represented in 2004).

Another major challenge for the biennium will be to integrate the outcome of the desk-to-desk comprehensive needs assessment of the human and financial resources of the Organization planned to start in 2005, into the overall human resources strategy.

Other challenges for the forthcoming biennium are the implementation of a revised performance appraisal system, including an appeal/rebuttal mechanism, to enhance staff performance through improved dialogue, containment of costs for social security and welfare services, enhancement of and provision of existing and new insurance plans, staff development activities in line with WIPO's objectives, enabling staff to develop to their full potential.

The Human Resources Management Department services must also continue to ensure that staff matters are dealt with in a fair and equitable manner. In addition, it must be able to continue to provide prompt legal advice for senior management on personnel-related legal issues.

OBJECTIVE

To provide efficient and cost-effective management of human resources.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Staffing needs are met more efficiently and cost-effectively, and reflect gender equity and geographical distribution.	- Geographical distribution is maintained at the level of 2004 and gender balance of staff is improved.
More efficient administration of entitlements and classification services.	- 20 per cent decrease in the number of staff inquiries concerning entitlements.
Improved performance appraisal of employees.	- Development of revised performance appraisal system.
Improved staff well-being.	- 30 per cent decrease in complaints of workplace-related illness. - 30 per cent decrease in sick leave.
Improved work-related conflict resolution.	- The number of appeals to the WIPO Appeal Board does not increase. - The number of appeals to the ILOAT does not increase. - 60 per cent of cases referred to the Ombudsman are resolved using mediation or conciliation.

ACTIONS

Engagement policies and procedures will be refined, in particular to improve gender equity and maintain geographical distribution, and the separation from service process enhanced. To further streamline engagement activities, software systems, including the skills-matching database, will be further developed; an online register of internal job vacancies created; and, professional interchange agreements developed. Contact with other UN agencies and human resources associations will be maintained to keep abreast of new developments, in particular for recruitment. Human resources management policies will continue to be formulated in line with the goals and objectives of the on-going United Nations reform program. Entitlements and classification services will continue to ensure that the WIPO Staff Regulations and Staff Rules are maintained in line with UN common system standards. Job descriptions will continue to be updated, revised and classified to ensure conformity with changing responsibilities and post requirements. Support will also continue to be provided to the Promotion Advisory Board (PAB) and the Classification Committee. Social security services will continue to ensure administration of insurance schemes, the UN Joint Staff Pension Fund and the WIPO (Closed) Pension Fund. Costs for social security coverage and social support services will be monitored. Management, communication, IT, language and other pertinent skills courses will be organized and self-learning tools provided to support training. Staff and family members newly arrived in Geneva will be assisted, counseling will be provided for personal and/or family-related problems and new schemes on dependencies, stress management and family problems will be developed. Assistance will be provided to retirees and activities organized for children and retired staff. Outpatient and emergency medical care will continue to be provided for staff, WIPO retirees, delegates and WIPO's guests. Measures to contain healthcare costs, public health promotion and conferences on health-related topics will be organized.

Finally, the program also provides financial support for the Office of the Ombudsman, an independent conflict-resolution mechanism established in 2002. The Ombudsman will review employment-related conflicts and advise staff with problems or grievances relating to their employment and working conditions, and/or their relations with colleagues. Furthermore, organizational trends and activities will be monitored to identify patterns or problem areas in the Organization's policies and practices.

PROGRAM LINKS

All Programs. Special coordination is ensured with the Office of the Controller, the Office of the Legal Counsel and the Financial Operations Department.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
15,595	15,725	130	0.8

• **Program 26: Financial Operations**

CHALLENGES The main challenge will be to continue to provide quality services while further improving cost-effectiveness. The further adaptation of the new automated finance system (AIMS) to the specific needs of WIPO's financial operations will also be a major challenge. The possibility of further enhancing the functionality of the income, expenditure and budget control modules of AIMS, as well as their adaptation to the current evolution of activities, has also become apparent.

OBJECTIVE **To ensure efficient, transparent and accountable financial operations at WIPO in conformity with applicable rules and regulations.**

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Enhanced efficiency of financial operations.	- Improvements to the AIMS income, expenditure and budget control modules completed, including adaptation to the current evolution of activities.
All financial operations executed with probity.	- Financial operations conform to the provisions of the applicable WIPO conventions and treaties, the WIPO Financial Rules and Regulations and the United Nations Accounting Standards. - Satisfactory financial report from the external auditors confirms the conformity of accounting operations with applicable regulations, rules and standards.
Investment funds are safeguarded and maximum return achieved.	- Prudence observed whilst attempting to maximize returns obtained on invested funds based on the decisions of the Investment Advisory Committee (possible comparisons with commercial earnings).
Full transparency and accountability in the use of financial resources.	- All accounting transactions fully documented and disclosed to the external auditors upon request.

ACTIONS All financial operations will be administered concerning WIPO, the Unions administered by WIPO, UPOV, cooperation for development activities financed by the United Nations Development Programme (UNDP) and by trust funds provided by Member States, and the WIPO (Closed) Pension Fund, including timely execution of all payments, including payroll, payments to staff as well as to suppliers of goods and services. Incoming payments, such as Member States' contributions and fees paid for services will continue to be received and assigned to the relevant sectors (trademarks, industrial designs, PCT, and arbitration) and fees collected under the Madrid and Hague Systems distributed to Member States in a timely manner. Accounts will also continue to be reconciled on a quarterly basis and debtors followed up with monthly updates of the state of arrears. Financial reports will be produced to Member States and program managers within the Secretariat and other documents prepared for various events, such as the WIPO Assemblies and the Program and Budget Committee sessions. The service to private customers will be enhanced, in particular, a better follow-up of current accounts and timely reply to questions through improved Internet services adapted

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to customers' needs. The decisions made during the regular meetings of the Investment Advisory Committee will continuously be followed up, and funds will be invested to maximize returns with a minimum of risk. Regarding the collaboration with the External Auditors, all requested financial information and statements will continue to be provided and audit recommendations will be rigorously implemented.

PROGRAM LINKS All programs. Special links will be maintained with the Office of the Controller, the Buildings Division, the IT Division, the Human Resources Management Department, the International Registrations Administration Department, and the PCT.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
10,557	11,265	708	6.7

• **Program 27: Information Technology**

CHALLENGES: Containing IT operating costs, while ensuring the reliable and secure operation of WIPO's IT systems, remains an important challenge for the forthcoming biennium. Reduced reliance on external companies to support IT systems has led to cost savings in several business areas. Other areas where similar reductions can be made have been identified, although this will require training for existing IT staff.

The use of IT systems to improve business processes throughout the Organization will be extended to include areas such as procurement and travel. At the same time, continued and adequate support of the existing systems must be ensured. The cost-effectiveness of internal IT Helpdesk services to staff must also be enhanced to enable Helpdesk to deal more effectively with WIPO's ever increasing use of IT.

The IT policies of the Organization will be revised and consolidated into a unified IT Strategy document.

A particular challenge in the biennium will be to ensure the sustainability of WIPO's IT investment by replacing Windows NT, as well as a number of desktop computers and servers, which were purchased in 1999 to ensure year 2000 compliance, but which will, after seven years, no longer be covered by manufacturer maintenance agreements.

Finally, information security will remain a high priority given increased threats from unsolicited emails (Spam) and more malevolent software such as viruses, spyware and malware, as well as the rapidly changing IT environment and growing interdependency and interconnection of IT systems, which increases the risk of security breaches.

OBJECTIVE

To ensure the reliable, secure, sustainable and cost-efficient operation of all the Organization's IT systems whilst exploiting them to improve business processes.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Reduced dependence on external resources.	- 35 per cent reduction in the number of external consultancy days per year (in comparison with an estimated 500 days in 2005).
Simplified and improved business processes with faster access to information.	- No backlogs or delays in closure and completion of accounts due to AIMS system issues. - User feedback.
Efficient IT security risk management.	- 80 per cent of servers and 95 per cent of desktops are information security policy compliant systems. - Vulnerability window for announced critical exploits/viruses reduced to 2 hours from 48 hours in 2005.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
High system availability of mission-critical systems.	<ul style="list-style-type: none"> - Availability of Mainframe and In-house Databases and business systems remains greater than 99.8 per cent - Availability of key network services (File, Print, E-mail) remains greater than 99.7 per cent - Service Delivery Agreements are established for more than 80 per cent of mission-critical IT systems, up from five per cent in 2005.

ACTIONS

To ensure the medium and long-term viability of WIPO's IT systems, the WIPO desktop standard operating system, Windows NT, will be replaced on some 1,600 desktop computers. In addition, 25 per cent of desktop computers and over 25 per cent of the Organization's servers will be replaced.

Cost savings, by reducing reliance on external contractors to provide system support and training existing staff, will continue as legacy mainframe systems are gradually replaced by the systems delivered by the large IT Projects such as IMPACT (Information Management for the Patent Cooperation Treaty) and AIMS (Administrative Integrated Management System). Also, the possibility of using Open Source systems to reduce IT operating costs, in areas such as the desktop environment, will be examined.

Expenditure against budget allotments will be strictly monitored for all IT areas to ensure cost containment. Support will also be provided for the Standing Committee on Information Technology (SCIT) and the IT Policy Board (comprising representatives of IT and programs reliant on IT for their business operations). A review of the working methods of the SCIT Plenary is foreseen in the biennium. Fault-tolerant system configurations will be implemented for mission-critical systems to improve the availability of services to the business community with the limited technical resources available.

IT solutions will be developed for a number of WIPO's internal business processes and information will be made available to WIPO's Member States and the public at large. In addition, IT Helpdesk services will continue to be provided to staff within the Organization and technical standards for IT equipment will be maintained. Finally, support will be provided to other technical areas of IT.

PROGRAM LINKS

The AIMS system interacts with a number of areas, such as Finance, Office of the Controller and program management. The Information Security Unit (ISU) works closely with all IT areas, in particular with the Network Infrastructure, System Support and Database, Internet Services and the Helpdesk. The ISS provides services to all WIPO programs in the areas of web publishing, application development and user support.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
39,453	38,978	(475)	(1.2)

• **Program 28: Conference, Language, Printing and Archives**

CHALLENGES

In previous biennia, major efforts have been made by the Secretariat to render the conference, language, telecommunication and mail, records management and printing services more effective and cost-efficient. Ongoing initiatives to streamline and modernize the services further will continue. Important issues to be addressed in this biennium consist in: enhancing the electronic management of documents, including the electronic distribution of meeting documents to Member States; maintaining the balance between the cost-effectiveness and quality of language services, including the achievement of a uniform and consistent style and presentation of documents; and, increasing the internal production of printed and electronic matter while reducing the cost of outside suppliers through recourse to the most economical solutions available on the market without loss of quality.

OBJECTIVE

To provide more efficient and cost-effective conference, language, printing and archive services.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Efficient and responsive conference and meeting services to delegates and the Secretariat.	- Feedback from delegates and the Secretariat.
Meeting documents available to Member States, including on the WIPO website, and at less cost.	- Document mailing cost savings of some 40 per cent compared with the 2004/05 biennium due to electronic distribution and Internet publishing.
More cost-effective telecommunications.	- Average telecommunication call costs inferior to the 2004/05 level (see also Chart 8, page 18)
Effective and efficient records management, archiving, mail and messenger-driver services.	- Average costs inferior to 2004/05 levels (see also Chart 8, page 18)
Balance maintained between cost-effectiveness and quality in the translation and revision of documents.	- Productivity standards: 1,500 words/translator day (general text); 1,000 words/translator day (legal text). - See also Chart 8, page 18. - Staff and delegate response to quality of translated and revised documents.
More efficient and cost-effective printing services.	- 50 per cent increase in in-house printing and a corresponding reduction in the cost of outside suppliers.

ACTIONS

Organizational arrangements for conferences and meetings will continue to be provided at WIPO and elsewhere, including the coordination of the preparation, distribution and publishing of conference and meeting documents in the official languages. Information technology will be used to further streamline the conference support functions. With regard to language services, high-quality translations to and from the six UN languages and others will continue to be provided. This work will include resolving problems of grammar, syntax,

vocabulary and style, to achieve a uniform house style in all the working languages of the Organization. Based on the results of the internal study and subsequent international tender in 2005, efforts will continue to improve cost-effectiveness. Telecommunication needs will be constantly assessed, services and equipment will be provided, the central telephone service operated, and optimum conditions for telecommunication services negotiated. Mail will be dispatched in the most cost-efficient and timely manner, via post office, diplomatic pouch and other delivery services, and official incoming and outgoing correspondence will be properly managed. In addition, improvements are planned to be introduced in the integrated document management and archive system, with the use of new technology to modernize the processes of classification, registration and archiving. Through the reduction of the number of office premises, costs of internal mail distribution will be reduced compared to 2004/05. As far as printing services are concerned, the in-house production of CDs and DVDs will be developed, and there will be more in-sourcing of both black and white and color printing to reduce the cost of outside suppliers. The printing of three major items will continue to be in-sourced, namely PCT pamphlets and Gazette, the Marks Gazette and the WIPO Magazine in the three language versions.

PROGRAM LINKS All Programs.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
39,690	40,800	1,110	2.8

• **Program 29: Premises Management**

CHALLENGES

The main challenge for 2006/07 will be to further rationalize the use of WIPO's premises in response to WIPO's existing and future space requirements needs. A recapitulation of WIPO space requirements from 2009 to 2015 is given in document WO/PBC/8/INF/1. This will entail adapting existing working spaces according to user requirements and security standards and specifications, and ensuring proper equipment maintenance. In this connection, certain installations in the Arpad Bogsch (AB), GB I and GB II buildings must be replaced since they date from their respective construction periods and others need to be upgraded.

Another important challenge will be to ensure an appropriate level of security on WIPO premises. The attack on the UN offices in Baghdad in August 2003 identified, for the first time, the vulnerability of the UN as a target for terrorism. The UN response to this heightened threat has been the promulgation of Minimum Operating Security Standards (MOSS), to cover both Headquarters and field-based organizations. WIPO has to implement those standards that are applicable to its particular situation. Failure to meet security obligations would not only generate the possibility of compromising the safety and security of WIPO staff and visitors to the Organization, but would also make WIPO more open to attack than the rest of the UN system who, by strengthening their own safety infrastructures, make WIPO a more vulnerable and 'softer' target. Although significant investment has been made to enhance WIPO's security systems at the Headquarters over many years, and particularly since 2000, further measures are necessary to deal with the new kind of threat and cover also WIPO Offices in New York, Washington D.C., Brussels and Singapore. Due to uncertainty and the unpredictability of the new threat, the work for enhancements will require a longer period of investment than one budgetary cycle, and in the next biennium 2006/07, measures of the highest urgency will be selectively implemented with priority. In December 2004, the UN General Assembly agreed to the creation of a strengthened and unified security management system for the UN system (document A/59/365). By approving the proposal of the UN Secretary-General, Member States also agreed that the funding of the UN security budget should continue to be cost-shared between all UN system organizations. As a result, WIPO's contribution to the UN cost-shared security budget will rise from US\$25,000 for the period 2004/05 to US\$75,000 for the 2006/07 biennium.

OBJECTIVE

To manage, rationalize and maintain WIPO premises in an effective and cost efficient way and to ensure, to the greatest extent possible, the safety and security of all WIPO staff, visitors to WIPO buildings and delegates to WIPO meetings.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Rationalization and optimum use of WIPO premises.	- Decrease in rental costs compared to 2004/05
Premises functioning as per WIPO standards.	- All WIPO premises comply with WIPO standards
Compliance with MOSS, both at Headquarters and in all WIPO Coordination Offices.	- 100 per cent compliance with the relevant elements of MOSS. - 100 per cent compliance with those optional MOSS obligations that are deemed to be applicable to WIPO.

ACTIONS

The Program will plan the utilization of WIPO office, parking and storage space in accordance with the agreed organizational premises plan, and maintain an extensive follow up in regard to maintenance and management of all WIPO occupied buildings. It will ensure that rational utilization is made of available space. An agreed plan for the adjustment and equipping of WIPO premises will be implemented, including the control, maintenance and repair of equipment. New technologies will be used, as required, to update equipment, as well as improve equipment performance and reliability. Major maintenance projects are planned to be carried out, such as repair of the roof of the AB building, repair of the air conditioning system, and modernization of electrical main panels and of the heating system.

Based on a full risk assessment of WIPO's premises by an external expert, the Secretariat of WIPO will determine which of the optional elements of MOSS WIPO is advised to implement. In the meantime, the present security system will be reviewed, the operation of security services will be reinforced and work will commence to implement all relevant elements of MOSS including security and contingency planning and access control. WIPO will also continue to participate in meetings of the Inter-Agency Security Managers Network (IASMN) and other inter-agency bodies dealing with the security and safety of UN staff, e.g., the High Level Committee on Management.

PROGRAM LINKS All Programs and the Program of the New Construction.

RESOURCES

2004/05	2006/07	Difference	
Revised Budget	Proposed Budget	Amount	%
	(in thousands of Swiss francs)		
61,748	58,751	(2,997)	(4.9)

• **Program 30: Travel and Procurement**

CHALLENGES

Concerning travel, the main challenge will be to provide quality service at reduced cost. To this end, further cost-savings measures will be introduced, in particular, for third party participants traveling to Geneva or participating in meetings organized by WIPO worldwide. Greater use will also need to be made of budget airlines in Europe and reductions made in the number of prepaid tickets or tickets purchased through UNDP country offices. In addition, the implementation of an electronic travel authorization system is expected to considerably reduce the time needed for processing travel authorizations.

Concerning procurement, the primary challenge will be to provide efficient and quality service while ensuring the respect of applicable rules and regulations. WIPO's participation and use of the United Nations Global Marketplace (UNGM) and the United Nations Joint Purchase Service (UNJPS) will remain important to ensure quick access to an increased number of potential suppliers, to optimize savings to be gained from bulk purchase, and to enhance the efficiency and quality of the procurement process. Significant challenges in a UN system-wide context in the forthcoming biennium, to which WIPO will actively contribute, include the harmonization of procurement procedures and development of common procurement activities.

OBJECTIVE

To provide more cost-effective and efficient travel and procurement services.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Greater cost-efficiency of travel by WIPO staff and third party participants.	<ul style="list-style-type: none"> - 25 to 30 per cent costs savings in negotiated corporate fares. - 20 per cent increase in the use of low cost airlines/special low cost fares, for European travel compared to 2004/05. - 25 per cent savings in tickets issued in the USA compared to 2004/05.
More efficient travel and visa administration.	<ul style="list-style-type: none"> - Travel authorization requests are processed more rapidly than in 2004/05. - Visa requests are received by the Travel Section three to four weeks before travel departure.
Maintained efficiency of the procurement process.	<ul style="list-style-type: none"> - Ratio of purchase orders compared to procurement staff in WIPO remains above the average ratio in the UN system.
Better prices and contractual conditions obtained a wider diversification and geographical distribution of suppliers.	<ul style="list-style-type: none"> - Savings on purchases through the UN Joint Purchase Service (UNJPS).

ACTIONS

Regular information will be provided to staff regarding travel and visa procedures, including on the Intranet. An electronic travel authorization system will also be implemented to reduce time for processing of requests. Official travel procedures will be streamlined. The WIPO Coordination Office in New York will be used to a

Proposed Program and Budget for 2006/07

greater extent for tickets to be purchased in the USA. Measures to reduce travel costs for WIPO staff will be undertaken.

Materials, products and services procurement will include the coordination and issuing of tender documents, the publication of notices to ensure transparency and accountability, participation in the evaluation of bids and contract negotiations in consultation with the Legal Counsel and the WIPO Contracts Review Committee and the preparation of contract documents. The needs of requisitioning users will be identified and, in cooperation with the Information Technology Program, an online system for the monitoring of purchase orders in real time will be implemented. WIPO will also regularly participate in the meetings of the Inter Agency Procurement Working Group (IAPWG). The Program is also responsible for mandatory inventory of the physical assets of the Organization.

PROGRAM LINKS All Programs. Particular close coordination will be maintained with the Office of the Controller and the Internal Audit and Oversight Division.

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget (in thousands of Swiss francs)	Difference	
		Amount	%
7,717	8,082	365	4.7

• **Program 31: The New Construction**

CHALLENGES

In the 2004/05 biennium, WIPO continued to incur substantial expenses in the rental of office space and parking places for its employees. These office-space and parking-place needs will not diminish, even with the forecast moderate growth of the registrations systems. This projection is based on the fundamental assumption that the number of persons employed by the Organization will remain basically stable from 2005 to 2009 (0.7 per cent average yearly growth, or 10 new employees, having been allowed to cover, in a very conservative fashion, the expected growth of demand for PCT and Madrid services during this period, it being understood that expected efficiency gains from the automation of the PCT will contain the growth of the number of PCT staff to the extent possible). By proceeding with the new construction (planned to be completed in 2008), the Organization would be able to accommodate all its employees in the new administrative building and the already-existing WIPO-owned premises, without the need to rent any other office space. This would represent significant savings. It should also be noted that, according to a recent market survey, it would not be possible to rent office space in Geneva that would meet WIPO requirements (in terms of number of work places, convenient location and cost-effectiveness) at a cost lower than the one currently paid by WIPO for the Procter and Gamble, CAM and Nations buildings.

Based on this overall economic justification, at the February 2005 informal session of the Program and Budget Committee (PBC), the Secretariat had presented the various technical and financial options regarding the new construction (document WO/PBC/IM/05/3). A revised version of that document (incorporating Member States' comments) has been prepared for the April 2005 regular session of the PBC (document WO/PBC/8/INF/1). As explained in these documents, the Secretariat proposes to restart as of 2006, the construction of the Revised Project described in document WO/PBC/8/INF/1. This Revised Project consists of a five-floor administrative building with 560 work places and 280 parking spaces, plus an additional underground space for storage and/or parking (260 spaces). The total estimated cost of the new project is 139.1 million Swiss francs. Of this amount, expenditure and commitments of 25.5 million Swiss francs have already been incurred: the remaining cost of the project is therefore 113.6 million Swiss francs.

Having explored several alternative options for external funding, including the *Fondation des Immeubles pour les Organisations Internationales* (FIPOI), the Secretariat has come to the conclusion that a commercial bank loan is the most viable and cost effective way of financing the remaining costs of the project (document WO/PBC/8/INF/1A). On this basis, the amount of resources required for the 2006/07 biennium in this Program corresponds to the cost of paying interest to the lending bank during the construction phase of the project (estimated total duration of work: 26 months) as well as to the cost of the external management of the project, as per recommendations of the External Auditor. Amortization of the loan would start only in 2008. More information on these issues is provided in document WO/PBC/8/INF1.

OBJECTIVE

To deliver the new construction on time (early 2008) and within budget.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Timely implementation of the construction works.	<ul style="list-style-type: none"> - All approved deadlines are respected. - Construction works advance in accordance with approved schedules and plans.

EXPECTED RESULT(S)	PERFORMANCE INDICATORS
Implementation of the construction works at the approved quality levels.	<ul style="list-style-type: none"> - Ensure compliance of the general contractor with the approved choice of construction materials and processes. - Ensure satisfaction on the part of principal stakeholders, including the delegates, visitors and other users of WIPO's facilities.

ACTIONS

In 2005, a tender would be made for the loan, the choice of the lending bank being made by the WIPO Contracts Review Committee. A new tender for the general contractor would also be made in 2005, on the basis of the specifications for the Revised Project which have been prepared by the Architect. The final choice of the general contractor would be made by a special jury composed of representatives of Member States. The timing of the new tendering process should enable resumption of construction in early 2006, with early 2008 as the completion deadline.

The current team of architectural and engineering firms will collaborate with the general contractor to ensure the realization of the revised project plans. The project would be supervised by the Organization. Independent external expertise would be contracted by WIPO to participate in the management of the project. The WIPO Construction and Contracts Review Committee would be updated on a regular basis on the progress of the construction works and would ensure the project's compliance with approved plans and schedules.

The construction works would consist mainly of pre-structural works already started in the 2004/05 biennium, main structural works and external landscaping. The works are scheduled to be completed by early 2008.

PROGRAM LINKS

The Program will be run by the Buildings Division in close coordination with the Office of the Controller, the Office of Internal Audit and Oversight, the Office of the Legal Counsel, the Procurement Division, and the Financial Department .

RESOURCES

2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
	(in thousands of Swiss francs)	Amount	%
8,468	4,631	(3,837)	(45.3)

TABLE I
2006/07 Proposed Budget, by Object of Expenditure
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	284,129	292,110	7,981	2.8
Short-term Employees	48,195	45,394	(2,801)	(5.8)
Consultants	13,153	12,600	(553)	(4.2)
Special Service Agreements	3,799	3,799	--	--
Total, A	349,276	353,903	4,627	1.3
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	7,944	8,123	179	2.3
Third-party Travel	17,407	18,023	616	3.5
Fellowships	3,523	3,752	229	6.5
Contractual Services				
Conferences	5,231	5,321	90	1.7
Experts' Honoraria	2,522	2,654	132	5.2
Publishing	5,487	5,865	378	6.9
Other	36,503	36,806	303	0.8
Operating Expenses				
Premises & Maintenance	64,072	64,412	340	0.5
Communication & Other	7,254	7,523	269	3.7
Equipment and Supplies				
Furniture & Equipment	9,949	10,409	460	4.6
Supplies & Materials	8,654	8,952	298	3.4
Total, B	168,546	171,840	3,294	2.0
C. Unallocated	5,178	5,257	79	1.5
TOTAL	523,000	531,000	8,000	1.5

TABLE II
2006/07 Proposed Budget, by Program
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
1 Public Outreach and Communication	11,886	13,280	1,394	11.7
2 External Coordination	7,606	10,743	3,137	41.2
3 Strategic Use of IP for Development	9,817	12,347	2,530	25.8
4 Use of Copyright in the Digital Environment	1,617	2,608	991	61.3
5 IP and Public Policy	994	1,608	614	61.8
6 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs	43,234	37,649	(5,585)	(12.9)
7 Certain Countries in Europe and Asia	4,813	4,530	(283)	(5.9)
8 Business Modernization of IP Institutions	8,076	4,843	(3,233)	(40.0)
9 Collective Management of Copyright and Related Rights	2,008	2,114	106	5.3
10 IPR Enforcement	2,384	2,966	582	24.4
11 WIPO Worldwide Academy	14,264	14,327	63	0.4
12 Law of Patents	2,103	2,996	893	42.5
13 Law of Trademarks, Industrial Designs and Geographical Indications	4,147	4,954	807	19.5
14 Law of Copyright and Related Rights	6,496	5,683	(813)	(12.5)
15 TK, Traditional Cultural Expressions and Genetic Resources	4,010	4,649	639	15.9
16 Administration of the PCT System	141,751	144,445	2,694	1.9
17 PCT Reform	2,242	2,301	59	2.6
18 Madrid, The Hague and Lisbon Registration Systems	36,386	41,949	5,563	15.3
19 Patent Information, Classification and IP Standards	4,778	5,459	681	14.3
20 International Classifications in the Field of Trademarks and Industrial Designs	1,080	1,270	190	17.6
21 Arbitration and Mediation Services and Domain Names Policies and Procedures	5,802	6,519	717	12.4
22 Direction and Executive Management	14,246	13,977	(269)	(1.9)
23 Budget Control and Resource Mobilization	3,521	4,513	992	28.2
24 Internal Oversight	1,333	1,781	448	33.6
25 Human Resources Management	15,595	15,725	130	0.8
26 Financial Operations	10,557	11,265	708	6.7
27 Information Technology	39,453	38,978	(475)	(1.2)
28 Conference, Language, Printing and Archives	39,690	40,800	1,110	2.8
29 Premises Management	61,748	58,751	(2,997)	(4.9)
30 Travel and Procurement	7,717	8,082	365	4.7
31 The New Construction	8,468	4,631	(3,837)	(45.3)
Total	517,822	525,743	7,921	1.5
Unallocated	5,178	5,257	79	1.5
TOTAL	523,000	531,000	8,000	1.5

TABLE III
2006/07 Proposed Budget, by Program and Union
(in thousands of Swiss francs)

	Contribution-financed Unions		PCT Union		Madrid Union		Hague Union		Other		Total	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
1 Public Outreach and Communication	906	2.5	10,492	2.5	1,584	2.2	152	2.5	146	2.5	13,280	2.5
2 External Coordination	733	2.0	8,326	2.0	1,443	2.0	123	2.0	118	2.0	10,743	2.0
3 Strategic Use of IP for Development	843	2.3	9,570	2.3	1,658	2.3	141	2.3	135	2.3	12,347	2.3
4 Use of Copyright in the Digital Environment	178	0.5	2,021	0.5	350	0.5	30	0.5	29	0.5	2,608	0.5
5 IP and Public Policy	110	0.3	1,246	0.3	216	0.3	18	0.3	18	0.3	1,608	0.3
6 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs	2,570	7.1	33,295	8.1	941	1.3	430	7.1	413	7.1	37,649	7.1
7 Certain Countries in Europe and Asia	309	0.9	3,511	0.9	608	0.9	52	0.9	50	0.9	4,530	0.9
8 Business Modernization of IP Institutions	331	0.9	3,754	0.9	650	0.9	55	0.9	53	0.9	4,843	0.9
9 Collective Management of Copyright and Related Rights	144	0.4	1,639	0.4	284	0.4	24	0.4	23	0.4	2,114	0.4
10 IPR Enforcement	202	0.6	2,299	0.6	398	0.6	34	0.6	33	0.6	2,966	0.6
11 WIPO Worldwide Academy	978	2.7	11,905	2.9	1,124	1.6	163	2.7	157	2.7	14,327	2.7
12 Law of Patents	204	0.6	2,792	0.7	--	--	--	--	--	--	2,996	0.6
13 Law of Trademarks, Industrial Designs and Geographical Indications	338	0.9	--	--	4,559	6.4	57	0.9	--	--	4,954	0.9
14 Law of Copyright and Related Rights	5,683	15.7	--	--	--	--	--	--	--	--	5,683	1.1
15 TK, Traditional Cultural Expressions and Genetic Resources	317	0.9	3,604	0.9	624	0.9	53	0.9	51	0.9	4,649	0.9
16 Administration of the PCT System	3,358	9.3	141,087	34.3	--	--	--	--	--	--	144,445	27.2
17 PCT Reform	157	0.4	2,144	0.5	--	--	--	--	--	--	2,301	0.4
18 Madrid, The Hague and Lisbon Registration Systems	1,950	5.4	--	--	37,347	52.4	2,652	43.8	--	--	41,949	7.9
19 Patent Information, Classification and IP Standards	373	1.0	5,086	1.2	--	--	--	--	--	--	5,459	1.0
20 International Classifications in the Field of Trademarks and Industrial Designs	87	0.2	--	--	1,169	1.6	14	0.2	--	--	1,270	0.2
21 Arbitration and Mediation Services and Domain Names Policies and Procedures	4,158	11.5	--	--	--	--	--	--	2,361	40.5	6,519	1.2
22 Direction and Executive Management	954	2.6	10,834	2.6	1,877	2.6	159	2.6	153	2.6	13,977	2.6
23 Budget Control and Resource Mobilization	308	0.8	3,498	0.8	606	0.8	51	0.8	50	0.9	4,513	0.8
24 Internal Oversight	122	0.3	1,380	0.3	239	0.3	20	0.3	20	0.3	1,781	0.3
25 Human Resources Management	1,073	3.0	12,188	3.0	2,112	3.0	179	3.0	173	3.0	15,725	3.0
26 Financial Operations	769	2.1	8,730	2.1	1,513	2.1	129	2.1	124	2.1	11,265	2.1
27 Information Technology	1,064	2.9	35,969	8.7	1,235	1.7	282	4.7	428	7.3	38,978	7.3
28 Conference, Language, Printing and Archives	2,785	7.7	33,382	8.1	3,819	5.4	366	6.0	448	7.7	40,800	7.7
29 Premises Management	4,010	11.1	48,877	11.9	4,550	6.4	670	11.1	644	11.1	58,751	11.1
30 Travel and Procurement	552	1.5	6,263	1.5	1,086	1.5	92	1.5	89	1.5	8,082	1.5
31 The New Construction	316	0.9	3,589	0.9	622	0.9	53	0.9	51	0.9	4,631	0.9
Total	35,882	99.0	407,481	99.0	70,614	99.0	5,999	99.0	5,767	99.0	525,743	99.0
Unallocated	359	1.0	4,074	1.0	706	1.0	60	1.0	58	1.0	5,257	1.0
TOTAL	36,241	100.0	411,555	100.0	71,320	100.0	6,059	100.0	5,825	100.0	531,000	100.0

TABLE IV
2006/07 Proposed Budget by Union
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
Contribution-financed Unions	37,741	36,241	(1,500)	(4.0)
PCT Union	405,895	411,555	5,660	1.4
Madrid Union	65,320	71,320	6,000	9.2
Hague Union	7,219	6,059	(1,160)	(16.1)
Other	6,825	5,825	(1,000)	(14.7)
TOTAL	523,000	531,000	8,000	1.5

TABLE V
2006/07 Proposed Posts, by Program
(in thousands of Swiss francs)

	End 2005 Revised				End 2007 Proposed				Difference			
	D	P	G	Total	D	P	G	Total	D	P	G	Total
1 Public Outreach and Communication	1	15	9	25	1	15	9	25	--	--	--	--
2 External Coordination	3	8	3	14	3	8	3	14	--	--	--	--
3 Strategic Use of IP for Development	3	13	6	22	3	13	6	22	--	--	--	--
4 Use of Copyright in the Digital Environment	2	3	--	5	2	3	--	5	--	--	--	--
5 IP and Public Policy	1	1	--	2	1	1	--	2	--	--	--	--
6 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs	6	28	15	49	6	28	15	49	--	--	--	--
7 Certain Countries in Europe and Asia	1	5	2	8	1	5	2	8	--	--	--	--
8 Business Modernization of IP Institutions	1	4	1	6	1	4	1	6	--	--	--	--
9 Collective Management of Copyright and Related Rights	--	3	1	4	--	3	1	4	--	--	--	--
10 IPR Enforcement	1	4	2	7	1	4	2	7	--	--	--	--
11 WIPO Worldwide Academy	1	10	6	17	1	10	6	17	--	--	--	--
12 Law of Patents	--	3	2	5	--	3	2	5	--	--	--	--
13 Law of Trademarks, Industrial Designs and Geographical Indications	1	4	3	8	1	4	3	8	--	--	--	--
14 Law of Copyright and Related Rights	2	3	3	8	2	3	3	8	--	--	--	--
15 TK, Traditional Cultural Expressions and Genetic Resources	--	6	--	6	--	6	--	6	--	--	--	--
16 Administration of the PCT System	6	124	201	331	6	125	206	337	--	1	5	6
17 PCT Reform	1	2	1	4	1	2	1	4	--	--	--	--
18 Madrid, The Hague and Lisbon Registration Systems	4	29	53	86	4	37	59	100	--	8	6	14
19 Patent Information, Classification and IP Standards	--	8	7	15	--	8	7	15	--	--	--	--
20 International Classifications in the Field of Trademarks and Industrial Designs	--	2	1	3	--	2	1	3	--	--	--	--
21 Arbitration and Mediation Services and Domain Names Policies and Procedures	--	8	5	13	--	8	5	13	--	--	--	--
22 Direction and Executive Management	9	13	4	26	9	13	4	26	--	--	--	--
23 Budget Control and Resource Mobilization	1	7	2	10	1	7	2	10	--	--	--	--
24 Internal Oversight	1	3	1	5	1	3	1	5	--	--	--	--
25 Human Resources Management	1	17	19	37	1	17	19	37	--	--	--	--
26 Financial Operations	1	8	21	30	1	8	21	30	--	--	--	--
27 Information Technology	1	33	12	46	1	33	12	46	--	--	--	--
28 Conference, Language, Printing and Archives	2	31	51	84	2	31	51	84	--	--	--	--
29 Premises Management	1	7	17	25	1	7	17	25	--	--	--	--
30 Travel and Procurement	--	6	8	14	--	6	8	14	--	--	--	--
31 The New Construction	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL	51	408	456	915	51	417	467	935	--	9	11	20

TABLE VI
Personnel Expenditure: Actual Figures for 2002/03,
2004/05 Revised Budget and 2006/07 Proposed Budget

(in thousands of Swiss francs)

	2002/03 Actual	2004/05 Revised Budget	2006/07 Proposed Budget	Difference
A. Posts	272,196	284,129	292,110	7,981
B. Short-term Employees	56,086	48,195	45,394	(2,801)
C. Consultants	19,036	13,153	12,600	(553)
D. Special Service Agreements	4,101	3,799	3,799	--
TOTAL	351,419	349,276	353,903	4,627

Table VII
2006/07 Estimated Expenditure for the PCT Sector,
Including PCT Share of Common Support Services
(in thousands of Swiss francs)

Programs	Estimated Expenditure
A. Programs Exclusively Concerning PCT	
16 Administration of the PCT System	144,445
17 PCT Reform	2,301
<i>Sub-total, A</i>	<i>146,746</i>
B. Programs Relating to PCT (50 per cent share)	
12 Law of Patents	1,498
19 Patent Information, Classification and IP Standards	2,730
<i>Sub-total, B</i>	<i>4,228</i>
C. Programs Providing Common Support Services (39.6 per cent share)	
22 Direction and Executive Management	5,539
23 Budget Control and Resource Mobilization	1,788
24 Internal Oversight	706
25 Human Resources Management	6,232
26 Financial Operations	4,464
27 Information Technology	15,447
28 Conference, Language, Printing and Archives	16,169
29 Premises Management	23,283
30 Travel and Procurement	3,203
31 The New Construction	1,835
<i>Sub-total, C</i>	<i>78,666</i>
D. Total PCT Expenditure (A+B+C)	229,640
E. Total Budget	531,000
F. PCT Share in Percentage of Total Budget (D/E)	43.2%

- a. Total average number of WIPO employees in 2006/07: 1,350
b. Total average number of PCT employees in 2006/07: 535 (including for IT)
c. Ratio (b/a or 535/1,350) = 39.6 per cent

TABLE VIII
Preliminary Financial Scenario for the Medium Term
(in millions of Swiss francs; with no fee adjustment)

	2000/01	2002/03	2004/05	2006/07	2008/09
	Actual		Revised	Proposed	Estimate
A. Income	520.8	470.3	508.4	531.0	545.2
B. Expenditure	558.3	619.3	523.0	531.0	545.2
a. Operational Expenditure	554.0	608.3	514.5	526.4	532.7
b. New Construction	4.3	11.0	8.5	4.6	12.5
C. Surplus/(Deficit)	(37.5)	(149.0)	(14.6)	--	--
D. Reserve*	264.4	115.4	100.8	100.8	100.8
E. Reserve Target	100.5	111.5	97.2	98.6	100.6
F. Reserve Balance	163.9	3.9	3.6	2.2	0.2

*Reserves and Working Capital Funds (RWCF)

TABLE IX
2006/07 Proposed Budget, by Program, as Compared to
Equivalent Program Structure in the 2004/05 Revised Budget

Program Structure 2006/07	Amount	Program Structure 2004/05	Amount
1 Public Outreach and Communication	13,280	02 Direction and Executive Management	1,360
		11 Intellectual Property for Development and Prosperity; Creation of IP Culture	8,858
		12 Resources Management	1,668
2 External Coordination	10,743	02 Direction and Executive Management	7,606
3 Strategic Use of IP for Development	12,347	03 Patents and the Patent Cooperation Treaty (PCT) System	221
		08 Cooperation with Developing Countries	4,061
		11 Intellectual Property for Development and Prosperity; Creation of IP Culture	5,535
4 Use of Copyright in the Digital Environment	2,608	05 Copyright and Related Rights	1,617
5 IP and Public Policy	1,608	07 Selected Issues of Intellectual Property	665
		11 Intellectual Property for Development and Prosperity; Creation of IP Culture	329
6 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, LDCs	37,649	08 Cooperation with Developing Countries	41,521
		11 Intellectual Property for Development and Prosperity; Creation of IP Culture	2,513
7 Certain Countries in Europe and Asia	4,530	09 Cooperation with Certain Countries in Europe and Asia	4,813
8 Business Modernization of IP Institutions	4,843	08 Cooperation with Developing Countries	3,493
		13 Information Technology	4,583
9 Collective Management of Copyright and Related Rights	2,114	08 Cooperation with Developing Countries	2,008
10 IPR Enforcement	2,966	07 Selected Issues of Intellectual Property	2,384
11 WIPO Worldwide Academy	14,327	10 The WIPO Worldwide Academy (WWA)	13,464
12 Law of Patents	2,996	03 Patents and the Patent Cooperation Treaty (PCT) System	2,103
13 Law of Trademarks, Industrial Designs and Geographical Indications	4,954	04 Trademarks, Industrial Designs and Geographical Indications	4,147

Table IX, page 2
2006/07 Proposed Budget, by Program, as Compared to
Equivalent Program Structure in the 2004/05 Revised Budget

Program Structure 2006/07	Amount	Program Structure 2004/05	Amount
14 Law of Copyright and Related Rights	5,683	05 Copyright and Related Rights	6,496
15 TK, Traditional Cultural Expressions and Genetic Resources	4,649	07 Selected Issues of Intellectual Property	4,010
16 Administration of the PCT System	144,445	01 Constituent Organs of the Member States	1,600
		03 Patents and the Patent Cooperation Treaty (PCT) System	124,420
		13 Information Technology	15,731
17 PCT Reform	2,301	03 Patents and the Patent Cooperation Treaty (PCT) System	2,242
18 Madrid, The Hague and Lisbon Registration Systems	41,949	01 Constituent Organs of the Member States	1,600
		04 Trademarks, Industrial Designs and Geographical Indications	33,469
		13 Information Technology	1,317
19 Patent Information, Classification and IP Standards	5,459	03 Patents and the Patent Cooperation Treaty (PCT) System	3,173
		13 Information Technology	1,605
20 International Classifications in the Field of Trademarks and Industrial Designs	1,270	04 Trademarks, Industrial Designs and Geographical Indications	1,080
21 Arbitration and Mediation Services and Domain Names Policies and Procedures	6,519	06 WIPO Arbitration and Mediation Center	5,802
22 Direction and Executive Management	13,977	02 Direction and Executive Management	14,246
23 Budget Control and Resource Mobilization	4,513	02 Direction and Executive Management	3,521
24 Internal Oversight	1,781	02 Direction and Executive Management	1,333
25 Human Resources Management	15,725	02 Direction and Executive Management	339
		12 Resources Management	15,256
26 Financial Operations	11,265	12 Resources Management	10,557
27 Information Technology	38,978	13 Information Technology	39,453
28 Conference, Language, Printing and Archives	40,800	01 Constituent Organs of the Member States	801
		12 Resources Management	38,889
29 Premises Management	58,751	12 Resources Management	61,748
30 Travel and Procurement	8,082	12 Resources Management	7,717
31 The New Construction	4,631	12 Resources Management	8,468
Unallocated	5,257	Unallocated	5,178
TOTAL	531,000		523,000

Table X
Fund-in-Trust Resources Potentially
Available for Programming in 2006/07

(in thousands of Swiss francs)*

Fund-in-Trust (FIT)	Estimated Balance End 2005	Estimated Contributions 2006/07**	Estimated Available for Programming in 2006/07**
Austria/JPO (1)	50	140	190
France			
France/Copyright	14	82	96
France/IP	100	600	700
Sub-Total, France	114	682	796
Germany/JPO (1)	80	150	230
Italy/JPO (1)	79	138	217
Japan			
Japan/Copyright	663	1,172	1,835
Japan/IP	2,295	4,000	6,295
Japan/JPO (2)	60	150	210
Sub-Total, Japan	3,018	5,322	8,340
Korea			
Korea (KIPO)	264	1,000	1,264
Korea/JPO (2)	170	300	470
Sub-Total, Korea	434	1,300	1,734
Spain	150	735	885
EU/Pakistan	121	200	321
International Organisation of French-Speaking Countries/JPO (1)	70	-	70
Geneva International Academic Network	53	58	111
TOTAL	4,169	8,725	12,894

* The figures do not include interest and exchange rate adjustments. It should also be noted that these funds generally provide for activities spanning a period of time exceeding or overlapping a single biennium, and income is received, and expenditure incurred and accounted for, according to different financial reporting periods. Consequently, some of the balances at the end of 2005 may appear artificially high. There are a number of other fund-in-trust arrangements whereby WIPO's expertise and assistance is provided to support the development of national IP capacity in certain countries, funded through a series of funds-in-trust. These are reported in more detail in the WIPO Financial Management Reports.

** The figures in these two columns are purely indicative and do not intend to comment on the intentions of potential donors.

Program 1
Public Outreach and Communication
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	7,854	7,957	103	1.3
Short-term Employees	1,754	1,530	(224)	(12.8)
Consultants	711	960	249	35.0
Special Service Agreements	393	393	--	--
Total, A	10,712	10,840	128	1.2
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	117	288	171	146.2
Third-party Travel	52	52	--	--
Fellowships	--	--	--	--
Contractual Services				
Conferences	--	--	--	--
Experts' Honoraria	10	8	(2)	(20.0)
Publishing	345	817	472	136.8
Other	259	784	525	202.7
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	64	76	12	18.8
Equipment and Supplies				
Furniture & Equipment	--	58	58	--
Supplies & Materials	327	357	30	9.2
Total, B	1,174	2,440	1,266	107.8
TOTAL	11,886	13,280	1,394	11.7

Program 2
External Coordination
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	4,363	6,296	1,933	44.3
Short-term Employees	360	522	162	45.0
Consultants	592	600	8	1.4
Special Service Agreements	--	--	--	--
Total, A	5,315	7,418	2,103	39.6
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	453	692	239	52.8
Third-party Travel	--	108	108	--
Fellowships	--	--	--	--
Contractual Services				
Conferences	--	180	180	--
Experts' Honoraria	43	25	(18)	(41.9)
Publishing	--	20	20	--
Other	311	440	129	41.5
Operating Expenses				
Premises & Maintenance	771	1,038	267	34.6
Communication & Other	641	661	20	3.1
Equipment and Supplies				
Furniture & Equipment	--	35	35	--
Supplies & Materials	72	126	54	75.0
Total, B	2,291	3,325	1,034	45.1
TOTAL	7,606	10,743	3,137	41.2

Program 3
Strategic Use of IP for Development
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	5,186	7,615	2,429	46.8
Short-term Employees	914	870	(44)	(4.8)
Consultants	948	720	(228)	(24.1)
Special Service Agreements	--	--	--	--
Total, A	7,048	9,205	2,157	30.6
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	611	749	138	22.6
Third-party Travel	449	487	38	8.5
Fellowships	--	--	--	--
Contractual Services				
Conferences	300	224	(76)	(25.3)
Experts' Honoraria	152	133	(19)	(12.5)
Publishing	--	226	226	--
Other	675	540	(135)	(20.0)
Operating Expenses				
Premises & Maintenance	--	24	24	--
Communication & Other	67	64	(3)	(4.5)
Equipment and Supplies				
Furniture & Equipment	515	545	30	5.8
Supplies & Materials	--	150	150	--
Total, B	2,769	3,142	373	13.5
TOTAL	9,817	12,347	2,530	25.8

Program 4
Use of Copyright in the Digital Environment
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference		
			Amount	%	
A. Personnel Resources					
Posts	1,509	2,010	501	33.2	
Short-term Employees	--	348	348	--	
Consultants	--	--	--	--	
Special Service Agreements	--	--	--	--	
Total, A	1,509	2,358	849	56.3	
B. Non-personnel Resources					
Travel and Fellowships					
Staff Missions	67	50	(17)	(25.4)	
Third-party Travel	27	50	23	85.2	
Fellowships	--	--	--	--	
Contractual Services					
Conferences	14	150	136	971.4	
Experts' Honoraria	--	--	--	--	
Publishing	--	--	--	--	
Other	--	--	--	--	
Operating Expenses					
Premises & Maintenance	--	--	--	--	
Communication & Other	--	--	--	--	
Equipment and Supplies					
Furniture & Equipment	--	--	--	--	
Supplies & Materials	--	--	--	--	
Total, B	108	250	142	131.5	
TOTAL	1,617	2,608	991	61.3	

Program 5
IP and Public Policy
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	877	947	70	8.0
Short-term Employees	--	174	174	--
Consultants	--	--	--	--
Special Service Agreements	--	--	--	--
Total, A	877	1,121	244	27.8
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	83	146	63	75.9
Third-party Travel	--	--	--	--
Fellowships	20	40	20	100.0
Contractual Services				
Conferences	14	15	1	7.1
Experts' Honoraria	--	--	--	--
Publishing	--	44	44	--
Other	--	143	143	--
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	--	43	43	--
Equipment and Supplies				
Furniture & Equipment	--	6	6	--
Supplies & Materials	--	50	50	--
Total, B	117	487	370	316.2
TOTAL	994	1,608	614	61.8

Program 6
Africa, Arab, Asia and the Pacific, Latin America
and the Caribbean Countries, LDCs
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised	Proposed	Amount	%
	Budget	Budget		
A. Personnel Resources				
Posts	21,716	18,274	(3,442)	(15.9)
Short-term Employees	3,120	2,595	(525)	(16.8)
Consultants	1,896	2,040	144	7.6
Special Service Agreements	--	--	--	--
Total, A	26,732	22,909	(3,823)	(14.3)
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	3,994	3,245	(749)	(18.8)
Third-party Travel	7,318	7,225	(93)	(1.3)
Fellowships	766	617	(149)	(19.5)
Contractual Services				
Conferences	860	610	(250)	(29.1)
Experts' Honoraria	1,111	1,023	(88)	(7.9)
Publishing	337	190	(147)	(43.6)
Other	414	487	73	17.6
Operating Expenses				
Premises & Maintenance	120	109	(11)	(9.2)
Communication & Other	562	451	(111)	(19.8)
Equipment and Supplies				
Furniture & Equipment	587	507	(80)	(13.6)
Supplies & Materials	433	276	(157)	(36.3)
Total, B	16,502	14,740	(1,762)	(10.7)
TOTAL	43,234	37,649	(5,585)	(12.9)

Program 7
Certain Countries in Europe and Asia
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	3,329	3,081	(248)	(7.4)
Short-term Employees	160	185	25	15.6
Consultants	--	--	--	--
Special Service Agreements	--	--	--	--
Total, A	3,489	3,266	(223)	(6.4)
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	224	200	(24)	(10.7)
Third-party Travel	596	580	(16)	(2.7)
Fellowships	--	--	--	--
Contractual Services				
Conferences	123	90	(33)	(26.8)
Experts' Honoraria	66	55	(11)	(16.7)
Publishing	45	85	40	88.9
Other	110	100	(10)	(9.1)
Operating Expenses				
Premises & Maintenance	--	10	10	--
Communication & Other	38	50	12	31.6
Equipment and Supplies				
Furniture & Equipment	90	50	(40)	(44.4)
Supplies & Materials	32	44	12	37.5
Total, B	1,324	1,264	(60)	(4.5)
TOTAL	4,813	4,530	(283)	(5.9)

Program 8
Business Modernization of IP Institutions
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	2,799	2,232	(567)	(20.3)
Short-term Employees	160	371	211	131.9
Consultants	474	240	(234)	(49.4)
Special Service Agreements	--	--	--	--
Total, A	3,433	2,843	(590)	(17.2)
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	395	450	55	13.9
Third-party Travel	21	80	59	281.0
Fellowships	--	--	--	--
Contractual Services				
Conferences	103	152	49	47.6
Experts' Honoraria	--	--	--	--
Publishing	--	--	--	--
Other	3,200	780	(2,420)	(75.6)
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	100	80	(20)	(20.0)
Equipment and Supplies				
Furniture & Equipment	644	458	(186)	(28.9)
Supplies & Materials	180	--	(180)	(100.0)
Total, B	4,643	2,000	(2,643)	(56.9)
TOTAL	8,076	4,843	(3,233)	(40.0)

Program 9
Collective Management of Copyright and
Related Rights
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	1,287	1,659	372	28.9
Short-term Employees	--	--	--	--
Consultants	--	--	--	--
Special Service Agreements	--	--	--	--
Total, A	1,287	1,659	372	28.9
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	120	90	(30)	(25.0)
Third-party Travel	--	--	--	--
Fellowships	70	30	(40)	(57.1)
Contractual Services				
Conferences	--	--	--	--
Experts' Honoraria	130	30	(100)	(76.9)
Publishing	--	--	--	--
Other	110	210	100	90.9
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	120	20	(100)	(83.3)
Equipment and Supplies				
Furniture & Equipment	100	--	(100)	(100.0)
Supplies & Materials	71	75	4	5.6
Total, B	721	455	(266)	(36.9)
TOTAL	2,008	2,114	106	5.3

Program 10 IPR Enforcement

(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference		
			Amount	%	
A. Personnel Resources					
Posts	1,781	1,936	155	8.7	
Short-term Employees	--	174	174	--	
Consultants	--	--	--	--	
Special Service Agreements	--	--	--	--	
Total, A	1,781	2,110	329	18.5	
B. Non-personnel Resources					
<i>Travel and Fellowships</i>					
Staff Missions	123	123	--	--	
Third-party Travel	320	448	128	40.0	
Fellowships	--	--	--	--	
<i>Contractual Services</i>					
Conferences	116	64	(52)	(44.8)	
Experts' Honoraria	--	--	--	--	
Publishing	--	196	196	--	
Other	--	--	--	--	
<i>Operating Expenses</i>					
Premises & Maintenance	--	--	--	--	
Communication & Other	26	15	(11)	(42.3)	
Equipment and Supplies					
Furniture & Equipment	--	--	--	--	
Supplies & Materials	18	10	(8)	(44.4)	
Total, B	603	856	253	42.0	
TOTAL	2,384	2,966	582	24.4	

Program 11
WIPO Worldwide Academy
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	5,171	6,011	840	16.2
Short-term Employees	360	348	(12)	(3.3)
Consultants	948	1,200	252	26.6
Special Service Agreements	--	--	--	--
Total, A	6,479	7,559	1,080	16.7
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	357	319	(38)	(10.6)
Third-party Travel	400	452	52	13.0
Fellowships	3,928	2,735	(1,193)	(30.4)
Contractual Services				
Conferences	280	201	(79)	(28.2)
Experts' Honoraria	--	--	--	--
Publishing	456	749	293	64.3
Other	2,271	1,760	(511)	(22.5)
Operating Expenses				
Premises & Maintenance	--	300	300	--
Communication & Other	80	88	8	10.0
Equipment and Supplies				
Furniture & Equipment	--	164	164	--
Supplies & Materials	13	--	(13)	(100.0)
Total, B	7,785	6,768	(1,017)	(13.1)
TOTAL	14,264	14,327	63	0.4

Program 12
Law of Patents
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised Budget	Proposed Budget	Amount	%
A. Personnel Resources				
Posts	1,692	1,852	160	9.5
Short-term Employees	--	--	--	--
Consultants	--	--	--	--
Special Service Agreements	131	131	--	--
Total, A	1,823	1,983	160	8.8
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	58	150	92	158.6
Third-party Travel	105	388	283	269.5
Fellowships	--	--	--	--
Contractual Services				
Conferences	91	320	229	251.6
Experts' Honoraria	--	57	57	--
Publishing	6	21	15	250.0
Other	6	26	20	333.3
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	8	30	22	275.0
Equipment and Supplies				
Furniture & Equipment	6	21	15	250.0
Supplies & Materials	--	--	--	--
Total, B	280	1,013	733	261.8
TOTAL	2,103	2,996	893	42.5

Program 13
Law of Trademarks, Industrial Designs and
Geographical Indications
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised	Proposed	Amount	%
	Budget	Budget		
A. Personnel Resources				
Posts	2,967	3,006	39	1.3
Short-term Employees	--	--	--	--
Consultants	--	--	--	--
Special Service Agreements	--	--	--	--
Total, A	2,967	3,006	39	1.3
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	--	--	--	--
Third-party Travel	363	561	198	54.5
Fellowships	--	--	--	--
Contractual Services				
Conferences	617	781	164	26.6
Experts' Honoraria	37	100	63	170.3
Publishing	--	--	--	--
Other	--	242	242	--
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	163	200	37	22.7
Equipment and Supplies				
Furniture & Equipment	--	--	--	--
Supplies & Materials	--	64	64	--
Total, B	1,180	1,948	768	65.1
TOTAL	4,147	4,954	807	19.5

Program 14
Law of Copyright and Related Rights
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised Budget	Proposed Budget	Amount	%
A. Personnel Resources				
Posts	3,244	3,020	(224)	(6.9)
Short-term Employees	880	946	66	7.5
Consultants	237	--	(237)	(100.0)
Special Service Agreements	--	--	--	--
Total, A	4,361	3,966	(395)	(9.1)
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	363	300	(63)	(17.4)
Third-party Travel	812	459	(353)	(43.5)
Fellowships	--	--	--	--
Contractual Services				
Conferences	770	840	70	9.1
Experts' Honoraria	134	70	(64)	(47.8)
Publishing	--	--	--	--
Other	--	--	--	--
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	56	48	(8)	(14.3)
Equipment and Supplies				
Furniture & Equipment	--	--	--	--
Supplies & Materials	--	--	--	--
Total, B	2,135	1,717	(418)	(19.6)
TOTAL	6,496	5,683	(813)	(12.5)

Program 15
TK, Traditional Cultural Expressions and
Genetic Resources
(in thousands of Swiss francs)

	2004/05	2006/07	Difference		
	Revised	Proposed	Amount	%	
	Budget	Budget			
A. Personnel Resources					
Posts	1,896	1,923	27	1.4	
Short-term Employees	360	315	(45)	(12.5)	
Consultants	--	--	--	--	
Special Service Agreements	--	--	--	--	
Total, A	2,256	2,238	(18)	(0.8)	
B. Non-personnel Resources					
Travel and Fellowships					
Staff Missions	295	200	(95)	(32.2)	
Third-party Travel	813	835	22	2.7	
Fellowships	--	40	40	--	
Contractual Services					
Conferences	351	795	444	126.5	
Experts' Honoraria	105	352	247	235.2	
Publishing	76	60	(16)	(21.1)	
Other	26	80	54	207.7	
Operating Expenses					
Premises & Maintenance	--	--	--	--	
Communication & Other	63	35	(28)	(44.4)	
Equipment and Supplies					
Furniture & Equipment	25	14	(11)	(44.0)	
Supplies & Materials	--	--	--	--	
Total, B	1,754	2,411	657	37.5	
TOTAL	4,010	4,649	639	15.9	

Program 16
Administration of the PCT System
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	93,840	95,084	1,244	1.3
Short-term Employees	23,784	20,318	(3,466)	(14.6)
Consultants	3,318	2,880	(438)	(13.2)
Special Service Agreements	3,013	3,013	--	--
Total, A	123,955	121,295	(2,660)	(2.1)
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	563	897	334	59.3
Third-party Travel	101	34	(67)	(66.3)
Fellowships	--	--	--	--
Contractual Services				
Conferences	--	--	--	--
Experts' Honoraria	--	--	--	--
Publishing	1,179	1,275	96	8.1
Other	6,989	12,567	5,578	79.8
Operating Expenses				
Premises & Maintenance	2,825	798	(2,027)	(71.8)
Communication & Other	2,734	2,860	126	4.6
Equipment and Supplies				
Furniture & Equipment	1,827	1,002	(825)	(45.2)
Supplies & Materials	1,578	3,717	2,139	135.6
Total, B	17,796	23,150	5,354	30.1
TOTAL	141,751	144,445	2,694	1.9

Program 17 PCT Reform

(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	1,620	1,591	(29)	(1.8)
Short-term Employees	--	--	--	--
Consultants	474	240	(234)	(49.4)
Special Service Agreements	--	--	--	--
Total, A	2,094	1,831	(263)	(12.6)
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	31	91	60	193.5
Third-party Travel	33	105	72	218.2
Fellowships	--	--	--	--
Contractual Services				
Conferences	7	34	27	385.7
Experts' Honoraria	--	--	--	--
Publishing	21	66	45	214.3
Other	4	8	4	100.0
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	29	92	63	217.2
Equipment and Supplies				
Furniture & Equipment	11	36	25	227.3
Supplies & Materials	12	38	26	216.7
Total, B	148	470	322	217.6
TOTAL				
	2,242	2,301	59	2.6

Program 18
Madrid, The Hague and Lisbon
Registration Systems
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised	Proposed	Amount	%
	Budget	Budget		
A. Personnel Resources				
Posts	24,207	28,233	4,026	16.6
Short-term Employees	4,480	4,637	157	3.5
Consultants	711	840	129	18.1
Special Service Agreements	--	--	--	--
Total, A	29,398	33,710	4,312	14.7
B. Non-personnel Resources				
<i>Travel and Fellowships</i>				
Staff Missions	121	142	21	17.4
Third-party Travel	1,082	1,681	599	55.4
Fellowships	--	60	60	--
<i>Contractual Services</i>				
Conferences	631	28	(603)	(95.6)
Experts' Honoraria	538	500	(38)	(7.1)
Publishing	1,891	1,644	(247)	(13.1)
Other	285	962	677	237.5
<i>Operating Expenses</i>				
Premises & Maintenance	870	1,760	890	102.3
Communication & Other	1,068	1,108	40	3.7
<i>Equipment and Supplies</i>				
Furniture & Equipment	221	62	(159)	(71.9)
Supplies & Materials	281	292	11	3.9
Total, B	6,988	8,239	1,251	17.9
TOTAL	36,386	41,949	5,563	15.3

Program 19
Patent Information, Classification and IP Standards
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	4,280	4,854	574	13.4
Short-term Employees	160	174	14	8.8
Consultants	--	--	--	--
Special Service Agreements	--	--	--	--
Total, A	4,440	5,028	588	13.2
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	114	35	(79)	(69.3)
Third-party Travel	--	--	--	--
Fellowships	--	--	--	--
Contractual Services				
Conferences	125	97	(28)	(22.4)
Experts' Honoraria	--	--	--	--
Publishing	13	122	109	838.5
Other	36	134	98	272.2
Operating Expenses				
Premises & Maintenance	6	8	2	33.3
Communication & Other	25	20	(5)	(20.0)
Equipment and Supplies				
Furniture & Equipment	13	10	(3)	(23.1)
Supplies & Materials	6	5	(1)	(16.7)
Total, B	338	431	93	27.5
TOTAL				
	4,778	5,459	681	14.3

Program 20
International Classifications in the Field of
Trademarks and Industrial Designs

(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference		
			Amount	%	
A. Personnel Resources					
Posts	889	1,122	233	26.2	
Short-term Employees	90	87	(3)	(3.3)	
Consultants	--	--	--	--	
Special Service Agreements	--	--	--	--	
Total, A	979	1,209	230	23.5	
B. Non-personnel Resources					
Travel and Fellowships					
Staff Missions	18	11	(7)	(38.9)	
Third-party Travel	9	6	(3)	(33.3)	
Fellowships	--	--	--	--	
Contractual Services					
Conferences	25	15	(10)	(40.0)	
Experts' Honoraria	--	--	--	--	
Publishing	26	16	(10)	(38.5)	
Other	--	--	--	--	
Operating Expenses					
Premises & Maintenance	--	--	--	--	
Communication & Other	9	5	(4)	(44.4)	
Equipment and Supplies					
Furniture & Equipment	9	5	(4)	(44.4)	
Supplies & Materials	5	3	(2)	(40.0)	
Total, B	101	61	(40)	(39.6)	
TOTAL	1,080	1,270	190	17.6	

Program 21
Arbitration and Mediation Services
and Domain Names Policies and Procedures
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised	Proposed	Amount	%
	Budget	Budget		
A. Personnel Resources				
Posts	3,562	3,625	63	1.8
Short-term Employees	790	1,043	253	32.0
Consultants	474	480	6	1.3
Special Service Agreements	--	--	--	--
Total, A	4,826	5,148	322	6.7
B. Non-personnel Resources				
<i>Travel and Fellowships</i>				
Staff Missions	210	200	(10)	(4.8)
Third-party Travel	249	494	245	98.4
Fellowships	220	200	(20)	(9.1)
<i>Contractual Services</i>				
Conferences	149	326	177	118.8
Experts' Honoraria	15	--	(15)	(100.0)
Publishing	58	100	42	72.4
Other	--	--	--	--
<i>Operating Expenses</i>				
Premises & Maintenance	--	--	--	--
Communication & Other	65	35	(30)	(46.2)
<i>Equipment and Supplies</i>				
Furniture & Equipment	--	10	10	--
Supplies & Materials	10	6	(4)	(40.0)
Total, B	976	1,371	395	40.5
TOTAL	5,802	6,519	717	12.4

Program 22
Direction and Executive Management
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference		
			Amount	%	
A. Personnel Resources					
Posts	11,674	11,032	(642)	(5.5)	
Short-term Employees	864	902	38	4.4	
Consultants	237	480	243	102.5	
Special Service Agreements	131	131	--	--	
Total, A	12,906	12,545	(361)	(2.8)	
B. Non-personnel Resources					
<i>Travel and Fellowships</i>					
Staff Missions	505	627	122	24.2	
Third-party Travel	239	248	9	3.8	
Fellowships	--	--	--	--	
<i>Contractual Services</i>					
Conferences	178	171	(7)	(3.9)	
Experts' Honoraria	27	--	(27)	(100.0)	
Publishing	36	53	17	47.2	
Other	47	36	(11)	(23.4)	
<i>Operating Expenses</i>					
Premises & Maintenance	--	--	--	--	
Communication & Other	281	252	(29)	(10.3)	
Equipment and Supplies					
Furniture & Equipment	12	18	6	50.0	
Supplies & Materials	15	27	12	80.0	
Total, B	1,340	1,432	92	6.9	
TOTAL	14,246	13,977	(269)	(1.9)	

Program 23
Budget Control and Resource Mobilization
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	2,789	3,311	522	18.7
Short-term Employees	--	--	--	--
Consultants	--	--	--	--
Special Service Agreements	--	--	--	--
Total, A	2,789	3,311	522	18.7
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	220	106	(114)	(51.8)
Third-party Travel	--	--	--	--
Fellowships	100	--	(100)	(100.0)
Contractual Services				
Conferences	--	--	--	--
Experts' Honoraria	--	--	--	--
Publishing	100	87	(13)	(13.0)
Other	201	1,000	799	397.5
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	80	--	(80)	(100.0)
Equipment and Supplies				
Furniture & Equipment	31	9	(22)	(71.0)
Supplies & Materials	--	--	--	--
Total, B	732	1,202	470	64.2
TOTAL	3,521	4,513	992	28.2

Program 24
Internal Oversight
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised Budget	Proposed Budget	Amount	%
A. Personnel Resources				
Posts	1,209	1,383	174	14.4
Short-term Employees	--	--	--	--
Consultants	--	--	--	--
Special Service Agreements	--	--	--	--
Total, A	1,209	1,383	174	14.4
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	41	142	101	246.3
Third-party Travel	--	--	--	--
Fellowships	--	--	--	--
Contractual Services				
Conferences	--	--	--	--
Experts' Honoraria	--	--	--	--
Publishing	23	82	59	256.5
Other	--	--	--	--
Operating Expenses				
Premises & Maintenance	--	--	--	--
Communication & Other	50	152	102	204.0
Equipment and Supplies				
Furniture & Equipment	10	22	12	120.0
Supplies & Materials	--	--	--	--
Total, B	124	398	274	221.0
TOTAL	1,333	1,781	448	33.6

Program 25
Human Resources Management
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference		
			Amount	%	
A. Personnel Resources					
Posts	11,497	12,222	725	6.3	
Short-term Employees	1,294	847	(447)	(34.5)	
Consultants	--	--	--	--	
Special Service Agreements	--	--	--	--	
Total, A	12,791	13,069	278	2.2	
B. Non-personnel Resources					
Travel and Fellowships					
Staff Missions	126	279	153	121.4	
Third-party Travel	--	68	68	--	
Fellowships	--	--	--	--	
Contractual Services					
Conferences	--	24	24	--	
Experts' Honoraria	--	--	--	--	
Publishing	42	10	(32)	(76.2)	
Other	2,058	1,855	(203)	(9.9)	
Operating Expenses					
Premises & Maintenance	--	4	4	--	
Communication & Other	164	81	(84)	(50.9)	
Equipment and Supplies					
Furniture & Equipment	163	148	(15)	(9.2)	
Supplies & Materials	251	188	(64)	(25.3)	
Total, B	2,804	2,656	(148)	(5.3)	
TOTAL					
	15,595	15,725	130	0.8	

Program 26
Financial Operations
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference		
			Amount	%	
A. Personnel Resources					
Posts	8,904	9,160	256	2.9	
Short-term Employees	1,150	1,264	114	9.9	
Consultants	--	--	--	--	
Special Service Agreements	--	--	--	--	
Total, A	10,054	10,424	370	3.7	
B. Non-personnel Resources					
<i>Travel and Fellowships</i>					
Staff Missions	19	47	28	147.4	
Third-party Travel	--	--	--	--	
Fellowships	--	--	--	--	
<i>Contractual Services</i>					
Conferences	--	--	--	--	
Experts' Honoraria	6	--	(6)	(100.0)	
Publishing	1	2	1	100.0	
Other	--	--	--	--	
<i>Operating Expenses</i>					
Premises & Maintenance	--	--	--	--	
Communication & Other	471	727	256	54.4	
Equipment and Supplies					
Furniture & Equipment	6	50	44	733.3	
Supplies & Materials	--	15	15	--	
Total, B	503	841	338	67.2	
TOTAL	10,557	11,265	708	6.7	

Program 27
Information Technology
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised Budget	Proposed Budget	Amount	%
A. Personnel Resources				
Posts	15,976	15,091	(885)	(5.5)
Short-term Employees	1,220	1,083	(137)	(11.2)
Consultants	1,422	960	(462)	(32.5)
Special Service Agreements	--	--	--	--
Total, A	18,618	17,134	(1,484)	(8.0)
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	465	459	(6)	(1.3)
Third-party Travel	200	534	334	167.0
Fellowships	--	--	--	--
Contractual Services				
Conferences	--	--	--	--
Experts' Honoraria	--	--	--	--
Publishing	--	--	--	--
Other	6,814	6,667	(147)	(2.2)
Operating Expenses				
Premises & Maintenance	6,857	7,447	590	8.6
Communication & Other	355	260	(95)	(26.8)
Equipment and Supplies				
Furniture & Equipment	4,438	4,912	474	10.7
Supplies & Materials	1,706	1,565	(141)	(8.3)
Total, B	20,835	21,844	1,009	4.8
TOTAL	39,453	38,978	(475)	(1.2)

Program 28
Conference, Language, Printing and Archives
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised Budget	Proposed Budget	Amount	%
A. Personnel Resources				
Posts	26,344	25,603	(741)	(2.8)
Short-term Employees	4,465	4,404	(61)	(1.4)
Consultants	--	--	--	--
Special Service Agreements	--	--	--	--
Total, A	30,809	30,007	(802)	(2.6)
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	98	121	23	23.5
Third-party Travel	700	700	--	--
Fellowships	--	30	30	--
Contractual Services				
Conferences	200	196	(4)	(2.0)
Experts' Honoraria	--	--	--	--
Publishing	--	--	--	--
Other	1,472	1,465	(7)	(0.5)
Operating Expenses				
Premises & Maintenance	2,772	3,624	852	30.7
Communication & Other	2,038	2,900	862	42.3
Equipment and Supplies				
Furniture & Equipment	1,048	1,498	450	42.9
Supplies & Materials	553	259	(294)	(53.2)
Total, B	8,881	10,793	1,912	21.5
TOTAL	39,690	40,800	1,110	2.8

Program 29 Premises Management

(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference	
			Amount	%
A. Personnel Resources				
Posts	7,018	7,579	561	8.0
Short-term Employees	780	1,355	575	73.7
Consultants	237	480	243	102.5
Special Service Agreements	--	--	--	--
Total, A	8,035	9,414	1,379	17.2
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	50	72	22	44.0
Third-party Travel	--	--	--	--
Fellowships	--	--	--	--
Contractual Services				
Conferences	--	--	--	--
Experts' Honoraria	--	--	--	--
Publishing	--	--	--	--
Other	3,394	5,020	1,626	47.9
Operating Expenses				
Premises & Maintenance	49,684	43,651	(6,033)	(12.1)
Communication & Other	335	290	(45)	(13.4)
Equipment and Supplies				
Furniture & Equipment	250	274	24	9.6
Supplies & Materials	--	30	30	--
Total, B	53,713	49,337	(4,376)	(8.1)
TOTAL	61,748	58,751	(2,997)	(4.9)

Program 30
Travel and Procurement
(in thousands of Swiss francs)

	2004/05 Revised Budget	2006/07 Proposed Budget	Difference		
			Amount	%	
A. Personnel Resources					
Posts	4,249	4,641	392	9.2	
Short-term Employees	1,050	902	(148)	(14.1)	
Consultants	237	240	3	1.3	
Special Service Agreements	--	--	--	--	
Total, A	5,536	5,783	247	4.5	
B. Non-personnel Resources					
Travel and Fellowships					
Staff Missions	77	103	26	33.8	
Third-party Travel	--	--	--	--	
Fellowships	--	--	--	--	
Contractual Services					
Conferences	--	--	--	--	
Experts' Honoraria	--	--	--	--	
Publishing	--	--	--	--	
Other	35	--	(35)	(100.0)	
Operating Expenses					
Premises & Maintenance	--	--	--	--	
Communication & Other	66	45	(21)	(31.8)	
Equipment and Supplies					
Furniture & Equipment	450	495	45	10.0	
Supplies & Materials	1,553	1,656	103	6.6	
Total, B	2,181	2,299	118	5.4	
TOTAL					
	7,717	8,082	365	4.7	

Program 31
The New Construction
(in thousands of Swiss francs)

	2004/05	2006/07	Difference	
	Revised Budget	Proposed Budget	Amount	%
A. Personnel Resources				
Posts	--	--	--	--
Short-term Employees	--	--	--	--
Consultants	237	--	(237)	(100.0)
Special Service Agreements	131	--	(131)	(100.0)
Total, A	368	--	(368)	(100.0)
B. Non-personnel Resources				
Travel and Fellowships				
Staff Missions	--	--	--	--
Third-party Travel	--	--	--	--
Fellowships	--	--	--	--
Contractual Services				
Conferences	--	--	--	--
Experts' Honoraria	--	--	--	--
Publishing	--	--	--	--
Other	4,000	1,500	(2,500)	(62.5)
Operating Expenses				
Premises & Maintenance	4,100	3,131	(969)	(23.6)
Communication & Other	--	--	--	--
Equipment and Supplies				
Furniture & Equipment	--	--	--	--
Supplies & Materials	--	--	--	--
Total, B	8,100	4,631	(3,469)	(42.8)
TOTAL	8,468	4,631	(3,837)	(45.3)

PART VIII: 2004/05 REVISED BUDGET

General

1. The main purpose of presenting a revised budget for the 2004/05 biennium is to incorporate budget reductions, which reflect the cost-saving measures that were prompted by the unanticipated shortfall in income experienced in the biennium. It is also to reflect changes to the originally approved budget for the 2004/05 biennium which are required by the application of the flexibility formulas for the international registration systems (PCT, Madrid, and Hague) (please see Appendix C). The revised budget for 2004/05 represents the baseline for the Proposed Budget for 2006/07.

2. The revised budget for 2004/05 amounts to 523 million Swiss francs. This represents a decrease of 115.8 million Swiss francs, or 18.1 per cent, as compared to the originally approved budget for 2004/05 (638 million Swiss francs). Of this overall reduction, 72.9 million Swiss francs is due to the postponement of the new construction, and 42.9 million Swiss francs to reduction in operational expenditures through cost-saving measures.

3. Annex I shows this variation by Object of Expenditure, Annex II by Main Program, and Annex III by Union. The resulting reduction in the number of posts is shown in Annex IV.

Budgetary Reductions by Object of Expenditure

4. Annex I shows the way in which originally budgeted levels of expenditure have been brought down in the revised budget, by Object of Expenditure. As shown in Annex I, in real terms the main reduction relate to the Construction (75.4 million Swiss francs), posts (20.5 million Swiss francs or 6.7 percent, which are however partly off-set by the corresponding increase in the revised budgetary allocation for short term employees), operating expenses (16.1 million Swiss francs or 18.4 per cent), and travel and fellowships (10.2 million Swiss francs or 26.2 per cent). In relative terms, consistent reductions are also made for equipment and supplies (25.6 per cent) and Special Service Agreements (47.3 per cent). For more details on the ways in which these savings were made possible, please refer to document WO/PBC/IM/05/2, Part III, paragraphs 11 to 33.

Budgetary Reductions by Main Programs

5. Annex II shows the way in which originally budgeted levels of expenditure have been brought down in the revised budget, by Main Program. As shown in Annex II, the main reduction relates to Main Programs 12 (Resources Management), which is reduced by 77.5 million Swiss francs, or by 34.9 per cent. This is mainly due to the postponement of the new construction. Another major reduction relates to Main Program 13 (Information Technology), which is brought down by 25.2 million Swiss francs, or 28.7 percent, mainly due to scaling down of the WIPOnet project and shifting from the original subcontractor to the United Nations International Computing Center (UNICC). Reductions in the other Main Programs are fairly equitably distributed. Of the overall reduction of 115.8 million Swiss francs, 9.6 million Swiss francs are due to the implementation of the flexibility formulas (see Appendix C).

Reduction in Number of Budgeted Posts

6. As shown in Annex IV, the total number of posts which had been authorized in the originally approved budget for 2004/05 is 1,004, but their total number is brought down to 915. This means a deletion in the revised budget for 2004/05 of 89 posts. The reason for this is threefold:

(a) The first reason is that of these 1,004 posts, 52 had been authorized on the assumption of a certain level of applications and, therefore, work load, under the three registration systems (PCT, Madrid and Hague) in 2004/05. Based on revised information on the level of applications in the present biennium, 40 of those 52 posts are deleted from the revised budget. This is because, based on the said revised information, the level of applications for the PCT and Hague systems in 2004/05

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will be lower than it had been estimated at the time of preparing the original budget. A total of 35 posts are therefore deleted from the PCT, and five posts from the Hague budget.

(b) The second reason is that, as explained at the informal session of the Program and Budget Committee in February 2005 (document WO/PBC/IM/05/2, paragraph 24), for the sake of transparency, it appears useful to budget expenditures for short-term employees under a separate budget line, and no longer through vacant posts. As a consequence, the vacant posts which, in the originally approved budget for 2004/05, had been artificially maintained to fund short-term employees, are deleted from the Revised Budget. On the other hand, the original allocation of 22.6 million Swiss francs for short-term employees is brought up to a total of 48.1 million Swiss francs (Annex I).

(c) The third reason is that efficiency gains in the PCT and Madrid sectors have made it possible not to fill posts that, on the basis of the flexibility formulas would, normally, have been opened for recruitment.

Personnel Expenditures

7. For sake of clarity on the evolution of personnel expenditures, please see also Table VI.

Deficit for the 2004/05 Biennium

8. Despite a downward revision of the initially approved budget of 18.1 per cent, it is anticipated that in the 2004/05 biennium there will be a deficit of 8.6 million Swiss francs which, as agreed by Member States (document PCT/A/33/7, paragraph 70(e)) will be funded from the reserves. The Secretariat is committed to continue its current efforts to further contain this deficit to the greatest extent possible. This is shown in Table VIII.

ANNEX I
2004/05 Revised Budget: Variation by Object of Expenditure
(in thousands of Swiss francs)

	2004/05		Difference			
	Approved Budget	Revised Budget	Flexibility	Other	Total	
					Amount	%
A. Personnel Resources						
Posts	304,683	284,129	(7,771)	(12,783)	(20,554)	(6.7)
Short-term Employees	22,592	48,195	--	25,603	25,603	113.3
Consultants	16,610	13,153	--	(3,457)	(3,457)	(20.8)
Special Service Agreements	7,213	3,799	--	(3,414)	(3,414)	(47.3)
Total, A	351,098	349,276	(7,771)	5,949	(1,822)	(0.5)
B. Non-personnel Resources						
Travel and Fellowships	39,112	28,874	--	(10,238)	(10,238)	(26.2)
Contractual Services	54,360	49,743	--	(4,617)	(4,617)	(8.5)
Operating Expenses	87,427	71,326	(1,848)	(14,253)	(16,101)	(18.4)
Equipment and Supplies	25,019	18,603	--	(6,416)	(6,416)	(25.6)
Construction	75,450	--	--	(75,450)	(75,450)	(100.0)
Total, B	281,368	168,546	(1,848)	(110,974)	(112,822)	(40.1)
C. Unallocated	6,334	5,178	--	(1,156)	(1,156)	(18.3)
TOTAL	638,800	523,000	(9,619)	(106,181)	(115,800)	(18.1)

ANNEX II
2004/05 Revised Budget: Variation by Main Program
(in thousands of Swiss francs)

	2004/05		Difference			
	Approved Budget	Revised Budget	Flexibility	Other	Total	
					Amount	%
Part I: Policy and Direction						
01 Constituent Organs of the Member States	4,386	4,001	--	(385)	(385)	(8.8)
02 Direction and Executive Management	29,381	28,405	--	(976)	(976)	(3.3)
Total, I	33,767	32,406	--	(1,361)	(1,361)	(4.0)
Part II: Intellectual Property Systems and Issues						
03 Patents and the Patent Cooperation Treaty (PCT) System	133,045	132,159	(3,788)	2,902	(886)	(0.7)
04 Trademarks, Industrial Designs and Geographical Indications	40,158	38,696	(1,283)	(179)	(1,462)	(3.6)
05 Copyright and Related Rights	8,477	8,113	--	(364)	(364)	(4.3)
06 WIPO Arbitration and Mediation Center	5,914	5,802	--	(112)	(112)	(1.9)
07 Selected Issues of Intellectual Property	7,072	7,059	--	(13)	(13)	(0.2)
Total, II	194,666	191,829	(5,071)	2,234	(2,837)	(1.5)
Part II: Intellectual Property for Economic, Social and Cultural Development						
08 Cooperation with Developing Countries	55,141	51,083	--	(4,058)	(4,058)	(7.4)
09 Cooperation with Certain Countries in Europe and Asia	5,582	4,813	--	(769)	(769)	(13.8)
10 The WIPO Worldwide Academy (WWA)	15,072	13,464	--	(1,608)	(1,608)	(10.7)
11 Intellectual Property for Development and Prosperity; Creation of IP Culture	18,500	17,235	--	(1,265)	(1,265)	(6.8)
Total, III	94,295	86,595	--	(7,700)	(7,700)	(8.2)
Part IV: Administrative Services						
12 Resources Management	221,805	144,303	(4,008)	(73,494)	(77,502)	(34.9)
13 Information Technology	87,933	62,689	(540)	(24,704)	(25,244)	(28.7)
Total, IV	309,738	206,992	(4,548)	(98,198)	(102,746)	(33.2)
Unallocated	6,334	5,178	--	(1,156)	(1,156)	(18.3)
TOTAL	638,800	523,000	(9,619)	(106,181)	(115,800)	(18.1)

ANNEX III
2004/05 Revised Budget: Variation by Union
(in thousands of Swiss francs)

	2004/05		Difference			
	Approved Budget	Revised Budget	Flexibility	Other	Total	
					Amount	%
Contribution-financed Unions	38,441	37,741	--	(700)	(700)	(1.8)
PCT Union	505,719	405,895	(8,056)	(91,768)	(99,824)	(19.7)
Madrid Union	72,996	65,320	--	(7,676)	(7,676)	(10.5)
Hague Union	12,760	7,219	(1,563)	(3,978)	(5,541)	(43.4)
Other	8,884	6,825	--	(2,059)	(2,059)	(23.2)
TOTAL	638,800	523,000	(9,619)	(106,181)	(115,800)	(18.1)

ANNEX IV
2004/05 Revised Budget: Post Variation

	End 2005 Approved				End 2005 Revised				Difference			
	D	P	G	Total	D	P	G	Total	D	P	G	Total
Part I: Policy and Direction												
02 Direction and Executive Management	13	25	20	58	14	35	11	60	1	10	(9)	2
Part II: Intellectual Property Systems and Issues												
03 Patents and the Patent Cooperation Treaty (PCT) System	5	113	256	374	7	121	203	331	2	8	(53)	(43)
04 Trademarks, Industrial Designs and Geographical Indications	4	30	73	107	5	32	58	95	1	2	(15)	(12)
05 Copyright and Related Rights	2	7	3	12	4	6	3	13	2	(1)	--	1
06 WIPO Arbitration and Mediation Center	--	6	7	13	--	8	5	13	--	2	(2)	--
07 Selected Issues of Intellectual Property	2	7	2	11	1	11	2	14	(1)	4	--	3
Total, II	13	163	341	517	17	178	271	466	4	15	(70)	(51)
Part II: Intellectual Property for Economic, Social and Cultural Development												
08 Cooperation with Developing Countries	11	41	22	74	8	41	20	69	(3)	--	(2)	(5)
09 Cooperation with Certain Countries in Europe and Asia	1	4	2	7	1	5	2	8	--	1	--	1
10 The WIPO Worldwide Academy (WWA)	1	7	7	15	1	10	6	17	--	3	(1)	2
11 Intellectual Property for Development and Prosperity; Creation of IP Culture	4	17	14	35	4	17	10	31	--	--	(4)	(4)
Total, III	17	69	45	131	14	73	38	125	(3)	4	(7)	(6)
Part IV: Administrative Services												
12 Resources Management	7	72	131	210	5	70	117	192	(2)	(2)	(14)	(18)
13 Information Technology	1	63	24	88	1	51	20	72	--	(12)	(4)	(16)
Total, IV	8	135	155	298	6	121	137	264	(2)	(14)	(18)	(34)
TOTAL	51	392	561	1,004	51	407	457	915	--	15	(104)	(89)

APPENDIX A

MEMBER STATES CONTRIBUTIONS

(in Swiss francs)

States Members of One or More Contribution-financed Unions	Contribution Class	Contribution Units 2006/07	Contribution ¹ 2006	Contribution ¹ 2007	Contributions 2006/07
Albania	IX	0.25	11,395	11,395	22,790
Algeria	S	0.125	5,697	5,697	11,394
Andorra	IX	0.25	11,395	11,395	22,790
Angola ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
Antigua and Barbuda	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Argentina	<i>VIbis</i>	2	91,158	91,158	182,316
Armenia	IX	0.25	11,395	11,395	22,790
Australia	III	15	683,685	683,685	1,367,370
Austria	<i>IVbis</i>	7.5	341,842	341,842	683,684
Azerbaijan	IX	0.25	11,395	11,395	22,790
Bahamas	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Bahrain	S	0.125	5,697	5,697	11,394
Bangladesh	<i>Ster</i>	0.03125	1,424	1,424	2,848
Barbados	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Belarus	IX	0.25	11,395	11,395	22,790
Belgium	III	15	683,685	683,685	1,367,370
Belize	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Benin	<i>Ster</i>	0.03125	1,424	1,424	2,848
Bhutan	<i>Ster</i>	0.03125	1,424	1,424	2,848
Bolivia	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Bosnia and Herzegovina	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Botswana	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Brazil	<i>VIbis</i>	2	91,158	91,158	182,316
Brunei Darussalam ²	S	0.125	5,697	5,697	11,394
Bulgaria	<i>VIbis</i>	2	91,158	91,158	182,316
Burkina Faso	<i>Ster</i>	0.03125	1,424	1,424	2,848
Burundi	<i>Ster</i>	0.03125	1,424	1,424	2,848
Cambodia	<i>Ster</i>	0.03125	1,424	1,424	2,848
Cameroon	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Canada	IV	10	455,790	455,790	911,580
Cape Verde	<i>Ster</i>	0.03125	1,424	1,424	2,848
Central African Republic	<i>Ster</i>	0.03125	1,424	1,424	2,848
Chad	<i>Ster</i>	0.03125	1,424	1,424	2,848
Chile	IX	0.25	11,395	11,395	22,790
China	<i>IVbis</i>	7.5	341,842	341,842	683,684
Colombia	IX	0.25	11,395	11,395	22,790
Comoros	<i>Ster</i>	0.03125	1,424	1,424	2,848
Congo	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Costa Rica	S	0.125	5,697	5,697	11,394
Côte d'Ivoire	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Croatia	VIII	0.5	22,789	22,789	45,578
Cuba	S	0.125	5,697	5,697	11,394
Cyprus	S	0.125	5,697	5,697	11,394
Czech Republic	VI	3	136,737	136,737	273,474
Democratic People's Republic of Korea	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Democratic Republic of the Congo	<i>Ster</i>	0.03125	1,424	1,424	2,848

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States Members of One or More Contribution-financed Unions	Contribution Class	Contribution Units 2006/07	Contribution ¹ 2006	Contribution ¹ 2007	Contributions 2006/07
Denmark	IV	10	455,790	455,790	911,580
Djibouti	<i>Ster</i>	0.03125	1,424	1,424	2,848
Dominica	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Dominican Republic	S	0.125	5,697	5,697	11,394
Ecuador	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Egypt	IX	0.25	11,395	11,395	22,790
El Salvador	S	0.125	5,697	5,697	11,394
Equatorial Guinea	<i>Ster</i>	0.03125	1,424	1,424	2,848
Eritrea ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
Estonia	IX	0.25	11,395	11,395	22,790
Ethiopia ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
Fiji	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Finland	IV	10	455,790	455,790	911,580
France	I	25	1,139,475	1,139,475	2,278,950
Gabon	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Gambia	<i>Ster</i>	0.03125	1,424	1,424	2,848
Georgia	IX	0.25	11,395	11,395	22,790
Germany	I	25	1,139,475	1,139,475	2,278,950
Ghana	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Greece	VI	3	136,737	136,737	273,474
Grenada	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Guatemala	S	0.125	5,697	5,697	11,394
Guinea	<i>Ster</i>	0.03125	1,424	1,424	2,848
Guinea-Bissau	<i>Ster</i>	0.03125	1,424	1,424	2,848
Guyana	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Haiti	<i>Ster</i>	0.03125	1,424	1,424	2,848
Holy See	VIII	0.5	22,789	22,789	45,578
Honduras	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Hungary	VI	3	136,737	136,737	273,474
Iceland	VIII	0.5	22,789	22,789	45,578
India	<i>Vlbis</i>	2	91,158	91,158	182,316
Indonesia	VII	1	45,579	45,579	91,158
Iran (Islamic Republic of)	VII	1	45,579	45,579	91,158
Iraq	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Ireland	IV	10	455,790	455,790	911,580
Israel	<i>Vlbis</i>	2	91,158	91,158	182,316
Italy	III	15	683,685	683,685	1,367,370
Jamaica	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Japan	I	25	1,139,475	1,139,475	2,278,950
Jordan	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Kazakhstan	IX	0.25	11,395	11,395	22,790
Kenya	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Kuwait ²	IX	0.25	11,395	11,395	22,790
Kyrgyzstan	IX	0.25	11,395	11,395	22,790
Lao People's Democratic Republic	<i>Ster</i>	0.03125	1,424	1,424	2,848
Latvia	IX	0.25	11,395	11,395	22,790
Lebanon	S	0.125	5,697	5,697	11,394
Lesotho	<i>Ster</i>	0.03125	1,424	1,424	2,848
Liberia	<i>Ster</i>	0.03125	1,424	1,424	2,848
Libyan Arab Jamahiriya	IX	0.25	11,395	11,395	22,790
Liechtenstein	VIII	0.5	22,789	22,789	45,578
Lithuania	IX	0.25	11,395	11,395	22,790
Luxembourg	VII	1	45,579	45,579	91,158
Madagascar	<i>Ster</i>	0.03125	1,424	1,424	2,848

States Members of One or More Contribution-financed Unions	Contribution Class	Contribution Units 2006/07	Contribution ¹ 2006	Contribution ¹ 2007	Contributions 2006/07
Malawi	<i>Ster</i>	0.03125	1,424	1,424	2,848
Malaysia	VIII	0.5	22,789	22,789	45,578
Maldives ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
Mali	<i>Ster</i>	0.03125	1,424	1,424	2,848
Malta	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Mauritania	<i>Ster</i>	0.03125	1,424	1,424	2,848
Mauritius	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Mexico	<i>IVbis</i>	7.5	341,842	341,842	683,684
Micronesia (Federates States of)	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Monaco	VII	1	45,579	45,579	91,158
Mongolia	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Morocco	S	0.125	5,697	5,697	11,394
Mozambique	<i>Ster</i>	0.03125	1,424	1,424	2,848
Myanmar ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
Namibia	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Nepal	<i>Ster</i>	0.03125	1,424	1,424	2,848
Netherlands	III	15	683,685	683,685	1,367,370
New Zealand	VI	3	136,737	136,737	273,474
Nicaragua	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Niger	<i>Ster</i>	0.03125	1,424	1,424	2,848
Nigeria	S	0.125	5,697	5,697	11,394
Norway	IV	10	455,790	455,790	911,580
Oman	S	0.125	5,697	5,697	11,394
Pakistan	S	0.125	5,697	5,697	11,394
Panama	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Papua New Guinea	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Paraguay	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Peru	S	0.125	5,697	5,697	11,394
Philippines	S	0.125	5,697	5,697	11,394
Poland	VI	3	136,737	136,737	273,474
Portugal	<i>IVbis</i>	7.5	341,842	341,842	683,684
Qatar	S	0.125	5,697	5,697	11,394
Republic of Korea	VII	1	45,579	45,579	91,158
Republic of Moldova	IX	0.25	11,395	11,395	22,790
Romania	<i>VIbis</i>	2	91,158	91,158	182,316
Russian Federation	IV	10	455,790	455,790	911,580
Rwanda	<i>Ster</i>	0.03125	1,424	1,424	2,848
Saint Kitts and Nevis	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Saint Lucia	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Saint Vincent and the Grenadines	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Samoa ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
San Marino	IX	0.25	11,395	11,395	22,790
Sao Tome and Principe	<i>Ster</i>	0.03125	1,424	1,424	2,848
Saudi Arabia	VII	1	45,579	45,579	91,158
Senegal	<i>Ster</i>	0.03125	1,424	1,424	2,848
Serbia and Montenegro	VIII	0.5	22,789	22,789	45,578
Seychelles	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Sierra Leone	<i>Ster</i>	0.03125	1,424	1,424	2,848
Singapore	IX	0.25	11,395	11,395	22,790
Slovakia	VI	3	136,737	136,737	273,474
Slovenia	VII	1	45,579	45,579	91,158
Somalia ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
South Africa	<i>IVbis</i>	7.5	341,842	341,842	683,684

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States Members of One or More Contribution-financed Unions	Contribution Class	Contribution Units 2006/07	Contribution ¹ 2006	Contribution ¹ 2007	Contributions 2006/07
Spain	IV	10	455,790	455,790	911,580
Sri Lanka	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Sudan	<i>Ster</i>	0.03125	1,424	1,424	2,848
Suriname	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Swaziland	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Sweden	III	15	683,685	683,685	1,367,370
Switzerland	III	15	683,685	683,685	1,367,370
Syrian Arab Republic	S	0.125	5,697	5,697	11,394
Tajikistan	IX	0.25	11,395	11,395	22,790
Thailand	IX	0.25	11,395	11,395	22,790
The former Yugoslav Republic of Macedonia	VIII	0.5	22,789	22,789	45,578
Togo	<i>Ster</i>	0.03125	1,424	1,424	2,848
Tonga	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Trinidad and Tobago	S	0.125	5,697	5,697	11,394
Tunisia	S	0.125	5,697	5,697	11,394
Turkey	<i>VIbis</i>	2	91,158	91,158	182,316
Turkmenistan	IX	0.25	11,395	11,395	22,790
Uganda	<i>Ster</i>	0.03125	1,424	1,424	2,848
Ukraine	IX	0.25	11,395	11,395	22,790
United Arab Emirates	IX	0.25	11,395	11,395	22,790
United Kingdom	I	25	1,139,475	1,139,475	2,278,950
United Republic of Tanzania	<i>Ster</i>	0.03125	1,424	1,424	2,848
United States of America	I	25	1,139,475	1,139,475	2,278,950
Uruguay	S	0.125	5,697	5,697	11,394
Uzbekistan	IX	0.25	11,395	11,395	22,790
Venezuela	IX	0.25	11,395	11,395	22,790
Viet Nam	S	0.125	5,697	5,697	11,394
Yemen ²	<i>Ster</i>	0.03125	1,424	1,424	2,848
Zambia	<i>Ster</i>	0.03125	1,424	1,424	2,848
Zimbabwe	<i>Sbis</i>	0.0625	2,849	2,849	5,698
Total Contributions		378.469	17,237,398	17,237,398	34,474,796

¹ The value of one unit for the years 2006 and 2007 is 45,579 Swiss francs.

² States members of WIPO which are not members of any of the Unions.

APPENDIX B

DEFINITION OF BUDGET HEADINGS

SOURCES OF INCOME

- Contributions: Contributions of States to the Organization under the unitary contribution system.
- Fees: Fees for the International Bureau under the PCT, Madrid, Hague and Lisbon Systems.
- Interest: Revenues from interest on capital deposits.
- Publications: Revenues from the sale of publications and from subscriptions to periodicals published by the Secretariat, in paper, CD-ROM or any other format.
- Other income: fees for the arbitration of domain names, registration fees for conferences and training courses, support charges in respect of extra-budgetary activities executed by WIPO and financed by UNDP and trust funds, accounting adjustments (credits) in respect of prior years and currency adjustments (credits), rental of WIPO premises, UPOV's payments to WIPO for administrative support services.

OBJECTS OF EXPENDITURE

Personnel Resources

- Posts: remuneration received by staff members, in particular salaries, post adjustment, dependency allowances, language allowances and overtime, non-resident allowances, assignment grant and representation allowances and allowances received by staff members not included in their salaries. The latter includes employer's contribution towards pension fund, participation in sickness insurance scheme, contribution towards the separation provision used for covering payments due upon separation from service, education grants, removal expenses, travel expenses of dependent children attending educational institutions, home leave, grants to cover costs of installation in the duty station, professional accident insurance premia, refund of national income taxes on salaries and other allowances, indemnities or grants paid by the Secretariat.
- Short-term Employees: remuneration and allowances paid to staff on short-term appointments.
- Consultants: remuneration and allowances paid to headquarters-based consultants.
- Special Service Agreements: remuneration paid to headquarters-based holders of special service agreements (SSAs).

NON-PERSONNEL RESOURCES

Travel and Fellowships

- Staff missions: travel expenses and daily subsistence allowances for the staff and headquarters-based consultants of the Secretariat on official travel.

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- Third party travel: travel expenses and daily subsistence allowances for Government officials, participants and lecturers attending WIPO-sponsored meetings.
- Fellowships: travel expenses, daily subsistence allowances and training and other fees in connection with trainees attending courses, seminars, long-term fellowships and internships.

Contractual Services

- Conferences: remuneration, travel expenses and daily subsistence allowances for interpreters; renting of conference facilities, and interpretation equipment; refreshments and receptions; and the cost of any other service directly linked to the organization of a conference.
- Experts' Honoraria: remuneration, travel expenses and daily subsistence allowances, and honoraria paid to lecturers.
- Publishing: outside printing and binding; reviews; paper and printing; other printing: reprints of articles published in reviews; brochures; treaties; collections of texts; manuals; working forms and other miscellaneous printed material; production of CD-ROMs, videos, magnetic tapes and other forms of electronic publishing.
- Other services: fees of translators of documents; rental of computer time; cost of staff training; recruitment costs; and other external contractual services.

Operating Expenses

- Premises and maintenance: acquiring, renting, improving and maintaining office space and renting or maintaining equipment and furniture, loan reimbursement for new construction, external management consultants related to new construction.
- Communication and other expenses: communication expenses such as telephone, telegrams, telexes, facsimile and mail, postage and carriage of documents; other expenses such as medical assistance, housing service, Administrative Tribunal, Staff Association, hospitality; bank charges; interest on bank and other loans (except building loans); currency adjustments (debits); audit expenses; unforeseen expenses and accounting adjustments (debits) in respect of prior years; contributions to joint administrative activities within the United Nations system; repayment to one or more Unions of advances in connection with the creation of a new Union or amortization of the deficit resulting from the organizational expenses of a Union, and expenses not specifically provided for.

Equipment and Supplies

- Furniture and equipment: office furniture and office machines; text processing and data processing equipment; conference servicing equipment; reproduction equipment; transportation equipment.
- Supplies and materials: stationery and office supplies; internal reproduction supplies (offset, microfilms, etc.); library books and subscriptions to reviews and periodicals; uniforms; data processing supplies; computer software and licenses.

APPENDIX C

FLEXIBILITY FORMULAS

General

The flexibility formulas are the mechanism which enables the level of staff in the global protection systems (PCT, Madrid, Hague) to be varied to reflect unbudgeted variations in the total number of applications. These formulas allow the Secretariat, during the course of a given biennium, to increase the number of posts (and related costs) if a higher-than-budgeted number of applications is received and there is a consequent increase in workload. Similarly, they provide for a decrease in the number of posts (and related costs) should there be a lower-than-budgeted number of applications received.

The budgetary implications of the flexibility formulas are determined by identifying staff expenses at the G6 level (average examiner's grade) and by apportioning related costs for the maintenance of office space. For the 2004/05 biennium, a flexibility post budgeted at a 100 per cent occupancy rate amounts to 162,000 Swiss francs per year.

PCT System

The flexibility formula for the PCT system is based on document PCT/A/XVI/1, as approved by the PCT Assembly on May 31, 1989. As noted in that document, variations of 242 international applications or 1,400 Chapter II demands lead to the adjustment of one post in the PCT Union budget. The total number of posts created due to the flexibility formulas are then allocated among the Office of the PCT and other offices according to a 75:25 ratio. This provision for other offices is to enable an appropriate increase in resources for the various services which support the PCT and are directly affected by an increase in applications. In recent years, re-engineering of business processes within the PCT administration and IT investments has enabled productivity gains which have meant that the flexibility formula has been applied in a considerably reduced manner.

Madrid System

In 1989, the Madrid Assembly noted (document MM/A/XXI/3, paragraph 18 (i)) and, by adopting the budget for the 1990/91 biennium, approved the flexibility formula for the Madrid system as described in document MM/A/XXI/1. This initial formula has been revised a number of times since 1989. In the 2004/05 budget (document WO/PBC/7/2), the formula approves an adjustment of one post for every variation of 525 registrations and/or renewals recorded. The total number of posts created is allocated to the International Trademark Registry.

Hague System

In 1989, the Hague Assembly noted (document H/A/X/2, paragraph 14) and, by adopting the budget for the 1990/91 biennium, approved the application of the flexibility formula for the Hague system described in document H/A/X/1, paragraphs 11 to 18). According to the latest revision of the formula, approved in 2001 (document WO/PBC/4/2, Appendix 3), an increase/decrease in the number of international deposits and renewals of 600 leads to an adjustment of one post in the Hague Union budget. The number of posts determined according to the flexibility formula is allocated in full to the International Industrial Designs Registry.

APPENDIX D

ACRONYMS AND ABBREVIATIONS USED IN THE PRESENT DOCUMENT

ACE/IP	Advisory Committee on Enforcement of Industrial Property Rights
ACMEC	Advisory Committee on Management and Enforcement of Copyright and Related Rights in Global Information Networks
AIMS	Administrative Information Management System
Arb.	Arbitration
ARIPO	African Regional Intellectual Property Organization
ASEAN	Association of Southeast Asian Nations
ATRs	Annual Technical Reports
CAM	<i>Centre Administratif des Morillons</i>
ccTLDs	country code Top-Level Domain
CEB	Chief Executives Board
CFU	Contribution-financed Unions
CIS	Commonwealth of Independent States
CISAC	International Confederation of Societies of Authors and Composers
CLAIMS	Classification Automated Information System
CLEA	Collection of Laws for Electronic Access
DL	Distance Learning
DNS	Domain Name System
DRM	Digital Rights Management
DSA	Daily Subsistence Allowance
EAPO	Eurasian Patent Organization
EC	European Commission
EPO	European Patent Office
EU	European Union
FIT	Fund-in-Trust
GDP	Gross Domestic Product
GR	genetic resources
gTLDs	generic Top-Level Domains
HR	Human Resources
HRMD	Human Resources Management Department
IAC	Industry Advisory Commission
IAOD	Internal Audit and Oversight Division

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IAPWG	Inter-Agency Procurement Working Group
IAs	International applications
IASMN	Inter-Agency Security Managers Network
IASP	International Association of Science Parks
ICANN	Internet Corporation for Assigned Names and Numbers
ICSEI	International Cooperation in the Search and Examination of
Inventions	
IFFRO	International Federation of the Right of Reproduction Organisations
IGC	Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore
IGO	Intergovernmental organization
ILOAT	International Labour Organisation Administrative Tribunal
IMPACT	Information Management for the Patent Cooperation Treaty
IP	Intellectual Property
IPC	International Patent Classification
IPDL	Intellectual Property Digital Library
IPEIS	Electronic Forum on Intellectual Property Enforcement Issues and Strategies
IPO	Intellectual Property Office
IPRs	Intellectual Property Rights
IPSS	Internet Service Providers
ISS	Information Services Section
ISU	Information Security Unit
IT	Information Technology
JIU	Joint Inspection Unit (of the United Nations)
JPO	Japanese Patent Office
KIPO	Korean Intellectual Property Office
LDCs	Least Developed Countries
MDGs	Millennium Development Goals of the United Nations
MOSS	Minimum Operating Security Standards (of the United Nations)
NGO	Non-governmental organization
OAPI	African Intellectual Property Organization
OLC	Office of the Legal Counsel
OPAC	Open Access Catalogue
OPCT	Office of the PCT
OSPPD	Office of Strategic Planning and Policy Development
PAB	Promotion Advisory Board
PAC	Policy Advisory Commission
PCT	Patent Cooperation Treaty
PLT	Patent Law Treaty
R&D	Research and Development
RIPC	reformed International Patent Classification
RO	Receiving Office
ROMARIN	Read-Only Memory of Madrid Actualized Registry Information

RWCF	Reserve and Working Capital Funds
SCCR	Standing Committee on Copyright and Related Rights
SCIT	Standing Committee on Information Technology
SCP	Standing Committee on the Law of Patents
SCT	Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications
SMEs	Small and Medium-Sized Enterprises
SRF	Special Reserve Fund
TCEs	Traditional Cultural Expressions/Folklore
TK	Traditional Knowledge
TLT	Trademark Law Treaty
TPMs	technical measures of protection
TRIPS Agreement	Agreement on Trade-Related Aspects of Intellectual Property Rights
UDRP	Uniform Domain Name Dispute Resolution Policy
UDRP	Uniform Domain Name Dispute Resolution Policy
UNDP	United Nations Development Programme
UNJPS	United Nations Joint Purchasing Service
UNJSPB	United Nations Joint Staff Pension Board
UPOV	International Union for the Protection of New Varieties of Plants
WCT	WIPO Copyright Treaty
WMU	WIPO Medical Unit
WPPT	WIPO Performances and Phonograms Treaty
WTO	World Trade Organization
WWA	WIPO Worldwide Academy