

| JIU RECOMMENDTION | SECRETARIAT PROPOSAL | JIU POSITION |
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| <p>Recommendation 1: The Director General should hire independent external expertise to perform a comprehensive desk-to desk needs assessment of the human and financial resources of the Organization in accordance with para. 3 above.</p> | <ul style="list-style-type: none"> • Secretariat welcomes JIU recommendation • Resources to cover estimated cost available • Secretariat ready to launch tender to select the commercial firm to conduct the assessment immediately after Assemblies, if required by Member States • Proposed ToR of proposed WIPO Audit Committee include overseeing the needs assessment exercise • Secretariat started informal consultations with Member States if needs assessment exercise can start before proposed Audit Committee is formally established | <p>This exercise was originally linked to the preparation of the 2006-07 budget. As it no longer is, JIU feels that the exercise should start by having the Audit Committee draft the TOR and supervise the process of choosing the contractor that will do the work.</p> <p>Therefore the JIU believes the Assembly should instruct the Secretariat to wait for the establishment of the AUDIT committee to begin this exercise.</p> |
| <p>Recommendation 2: The General Assembly should approve an initial 2006-2007 budget at the revised 2004-2005 budget level, pending the outcome of the needs assessment. Any revision to the budget based on the needs assessment could be presented for approval to the Extraordinary Session of the General Assembly in September 2006.</p> | <ul style="list-style-type: none"> • Secretariat submitted Proposed Program and Budget for 2006-07 to 8th session of the program and budget Committee (PBC) • Fully reflected JIU recommendations, while allowing minimal degree of flexibility for WIPO to respond to projected increases in registration systems activities (see Part III of Publication NO. 360E/PB0607) • PBC supported this and recommended Proposed Program and Budget for 2006-07 to General Assembly for approval | <p>Proposed 2006-07 budget does not fully reflect JIU's view on the matter.</p> <p>The JIU believes the Assembly should instruct that the budget for 2006-07 be adjusted immediately after the completion of the desk review!</p> |
| <p>Recommendation 3: The Director General is urged to complete on an urgent basis consultations with other relevant organization, inter alia, the European Patent Office and submit to the General Assembly a proposed methodology to determine the cost of processing PCT applications.</p> | <ul style="list-style-type: none"> • DG welcomes JIU recommendation • Secretariat had already carried out consultations with European Patent Office prior to JIU recommendation re system for gauging performance measurement and cost of processing applications • Secretariat is making progress in elaborating system – has preliminary internal performance indicators in place (timeliness, workload) • Provisional findings re performance measurement shared with delegates of the Working Group on Reform of the PCT and Meeting of International Authorities • Will continue developing indicators to fully comply with JIU recommendation | <p>The JIU believes the Assembly should recommend that this exercise be finished on an <u>urgent basis</u>.</p> |
| <p>Recommendation 4: The General Assembly should limit transfers between programmes to five per cent of the smaller amount of the two biennial appropriations of the programmes concerned.</p> | <ul style="list-style-type: none"> • Secretariat points out this Recommendation refers to interpretation of WIPO Financial Regulation 4 • Raises issue whether it should be interpreted to enable redeployment of up to 5 % of the total budget of WIPO to one or more programs, or more restrictively • Secretariat believes it should be submitted to PBC for consideration (as it seeks to interpret a Financial Regulation) and implicitly invites General Assembly to re-direct it to PBC | <p>How WIPO Financial regulation 4 is interpreted is irrelevant. The JIU recommendation is that the DG should <u>not</u> have that power which even the UN SG does not have!</p> <p>The JIU believes the Assembly should make it clear now that the JIU interpretation is theirs also, otherwise there is a delay of at least one year before this is considered and the current practice will continue.</p> |
| <p>Recommendation 5: The PCT Assembly should consider taking the necessary steps to:</p> <p>a: Have users of WIPO services pay fees for services rendered in Swiss francs, the currency in which the budget is denominated and most expenditures incurred; and</p> | <p>Secretariat believes JIU Recommendation 5 raises questions that need further examination. The Secretariat highlights the following issues for further study:</p> <ul style="list-style-type: none"> • Whether and, if so, to what extent, the Treaty and Regulations support the changes to the PCT system recommended • What % of the International Bureau's (IB) income is typically at risk due to exchange rate fluctuations under existing system? • Is it desirable (from the perspective of national industrial property Offices and PCT applicants) to fundamentally | <p>[No comment]</p> |

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| <p>b. Have PCT fees paid directly to the IB at the time of filing the application with the national receiving office and not at the time of its transmittal to the IB by the national receiving office.</p> | <p>change the PCT system, and if so, how could such change be undertaken?</p> <ul style="list-style-type: none"> • Are there alternative means of improving existing fee payment and fee adjustment systems, in particular from the legal and practical viewpoints, without fundamentally changing the system? • What effects would potential changes have on behavior of PCT applicants and agents? • What effects would potential changes have on the efficiency of processes within national industrial property Offices and the IB? • Given these questions, Secretariat proposes to carry out study and present report to PCT Assembly at ordinary 2006 session | |
| <p>Recommendation 6: The Director General should look into the feasibility of establishing a mechanism to allow fees to be paid through an online basis to an established WIPO account.</p> | <ul style="list-style-type: none"> • Currently applicants filing with the IB may pay filing fees from Swiss Franc deposit accounts they establish with WIPO • Secretariat intends to allow applicants who file electronically with IB to pay in Swiss Francs by credit card • See response to Recommendation 5 for applicants who file with other receiving offices | <p>The JIU believes the Assembly should ask the DG to implement this recommendation now.</p> |
| <p>Recommendation 7: The General Assembly is invited to institutionalize the decision of the current Director General not to accept extra remuneration for his duties in relation to UPOV, as provided for in the relevant WIPO/UPOV Agreement. In the future, the Director General should not receive any extra remuneration for additional tasks that may be entrusted to the post.</p> | <ul style="list-style-type: none"> • Secretariat draws Members States attention to the fact that this issue falls within competence of both WIPO and UPOV • Issue dealt with under UPOV Convention and WIPO-UPOV Agreement. (UPOV is not part of the United Nations system) • Recommendation will be referred to UPOV Administrative Council for consideration | <p>The Assembly <u>has the power</u> to instruct the DG not to accept from UPOV any remuneration beyond a 1 US\$ symbolic one!!! It would be up to UPOV to decide if it wishes to go this route or have a different DG. The JIU believes the Assembly should instruct the DG accordingly!</p> |
| <p>Recommendation 8: The Coordination Committee should allow the Director General to recruit and promote against approved posts at the D-level without seeking their advice.</p> | <ul style="list-style-type: none"> • Secretariat welcomes this recommendation as WIPO staff regulation 4.8 (a) may limit the DG's effective running and management of the IB in certain instances • Also, this regulation is not in line with majority of United Nations common system organizations • Secretariat still recognizes that appointments to D1-level should be made in strict compliance with availability in the relevant budget of posts at that level • Secretariat proposes that Coordination Committee may wish to adopt following decision: • To amend Regulation 4.8(a) in order to reflect that in future the advice of the Coordination Committee will be required only for appointment to the Higher category (Assistant Directors General and Deputy Directors General); • To decide that appointments and/or promotions to D1-level will not require the advice of the Coordination Committee, but will be subject to availability of posts in the Special category in the approved budget | <p>We concur with the proposal of the Secretariat!</p> |
| <p>Recommendation 9: The Director General should direct that:</p> <p>a. Employment of any contractual form be</p> | <p>Part 9a As of 1 January 2005 recruitment of <u>all</u> contractual forms frozen. Limited exceptions only for stringent operational needs</p> | <p>9a. All means ALL!!! We clearly indicated that urgent needs be covered by redeployment and NOT by additional hirings.</p> |

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| <p>frozen at current levels until the headquarters review is completed;</p> <p>b. The transfer of positions with posts be discontinued;</p> <p>c. Any reclassifications of Professional level posts and General Service to Professional level posts be approved via the budget process, not after implementation;</p> <p>d. The practice of personal promotions be discontinued;</p> <p>e. A comprehensive human resources strategy be established in one properly sanctioned document, which focuses on the identification, development and appraisal of the human resources needed to meet the priorities of the Organization. This should include, in particular, policies on career development, gender balance, geographical distribution and administration of justice; and</p> <p>Report back, through the Coordination Committee, to the General Assembly at its next session, on the implementation of these measures.</p> | <p>Part 9b</p> <ul style="list-style-type: none"> • Secretariat believes outcome of needs assessment may imply adjustment in human resources and therefore possibly change in post structure • Once completed, Secretariat will adopt new policy limiting post transfers only to transfers within the same operational unit • This will enable strict compliance with budgetary post structure approved by Member States and preserve a minimum operational flexibility • Pending the needs assessment, staff transfers are done to the maximum extend possible through exchange of posts <p>Part 9c</p> <ul style="list-style-type: none"> • Secretariat is committed to ensuring that for 2006-07, reclassifications and/or promotions are within approved budgetary ceiling for personnel expenditures • See Proposed Program and Budget for 2006-07 (see Publication No. 360E/PB0607), paras 16, 55, 62 <p>Part 9d</p> <ul style="list-style-type: none"> • Personal promotions introduced in 1986 to reward deserving staff who have reached maximum in-grade step, and have 10 years at same grade • Since receiving JIU report, no personal promotions granted • Secretariat believes personal promotions may be effective management tool in some instances, but agrees should be strictly limited and financial impact contained within the approved budget for personnel expenditures • Secretariat does not want to discontinue practice • Secretariat in process of developing comprehensive policy on personal promotions in line with United Nations common system organizations (to exclude promotions from Professional to Special category) <p>Part 9e</p> <ul style="list-style-type: none"> • HRMD has embarked on comprehensive reassessment of WIPO human resources policies and practices in order to consolidate to single HR strategy document • Secretariat welcomes needs assessment exercise as source of information and orientation for this analysis • In 2006, Secretariat will make available an HR management strategy document from outcome of own analysis and result of needs assessment to Member States | <p>The JIU believes the Assembly should instruct the DG accordingly.</p> <p>9b. Agreed</p> <p>9c. 1) Reclassifications should only be done to include real additional tasks assigned to a particular post (not person). 2) The reclassification must be reviewed and approved by a proper reclassification panel (there is a very unclear history of this in WIPO). 3) General Assembly approval to reclassify the post should be via the budget document 4) The reclassified post must then be advertised, and the incumbent in that post should not be given an unfair advantage. This is the process the JIU believes should be the one the Assembly instructs the DG to practice.</p> <p>9d. This practice is being discontinued in the few organizations that have it. There is a history of total abuse of the practice in WIPO. JIU can give serious examples of this. How could the Assembly agree to give the same administration that abused this practice leeway to continue it?</p> <p>The JIU believes the Assembly should order the DG to immediately discontinue this practice and modify its staff rules accordingly!</p> |
| <p>Recommendation 10: The Director General should suspend the current practice of direct recruitment and identify and submit to the General Assembly through the Coordination Committee appropriate contractual modalities that would meet the purpose of Staff Regulation 4.8(b) while preserving the competitive nature of the recruitment process.</p> | <ul style="list-style-type: none"> • No direct recruitment since August 2004 • Secretariat will elaborate alternative contractual modalities to meet urgent operational needs, while preserving competitive nature of recruitment process, and taking into account ongoing review by ICSC of contractual arrangements within United Nations common system • Pending this, direct recruitment suspended | <p>[No comment at this time]</p> |

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| <p>Recommendation 11: The General Assembly should take steps to strengthen the effectiveness and independence of oversight at WIPO by:</p> <p>a. Requesting the External Auditor to review and submit for its consideration his/her terms of engagement with a view to bringing them in line with best practices of other United Nations organizations;</p> <p>b. Requesting the Director General to submit concrete proposals with a view to creating a D-level post and determining the qualifications required for the head of the Internal Audit and Oversight Division; and</p> <p>c. Enhancing the staffing of the Division with the necessary professionals qualified to carry out its mandate.</p> | <ul style="list-style-type: none"> • Secretariat has prepared, since reception of JIU report, draft Internal Audit Charter, which has been reviewed by the Working Group of the PBC • The Working Group has agreed on a revised text, to be submitted to the General Assembly for approval (A/41/11) • Secretariat has reinforced staffing of the Internal Audit and Oversight Division by reallocating a vacant post to recruit a P4 Audit Officer • Secretariat will also launch an international competition for an Investigator to join the Division • These measures fully meet the JIU Recommendation • Note that the Working Group also identified the desired profile and level of the WIPO Internal Auditor (see part 11b of Recommendation) • Subject to General Assembly approval, a vacant D1 post will be reallocated as WIPO Internal Auditor and head of the Internal Audit and Oversight Division • Note also that in informal session (23-25 May 2005), the Working Group agreed on a Proposal on the Establishment of a WIPO Audit Committee (A/41/10) and recommended it to the WIPO General Assembly for approval • Re part 11a of the JIU Recommendation, the mandate of the External Auditor is defined in WIPO Financial Regulations (“Terms of Reference Governing Audit”) and the PBC is the competent body to examine proposed amendments • As such, the General Assembly may wish to put part 11a to the next session of the PBC for consideration | <p>11a. This effectively shifts action until next year at this time. The JIU believes the Assembly should authorize the PBC to adopt and have the External Auditors implement revised ToR in time for the next WIPO audit.</p> <p>11b. [No comment]</p> <p>11c. JIU believes staffing proposals remain weak.</p> |
| <p>Recommendation 12: The Director General should ensure that the Internal Audit and Oversight Division:</p> <p>a. Expands and fine tunes an Oversight Charter for approval by the Member States;</p> <p>b. Elaborates audit and evaluation plans based on risks and opportunities for the Organization;</p> <p>c. Establishes a follow-up system to ensure compliance by managers with oversight recommendations; and</p> <p>d. Reports back to the General Assembly at its forthcoming session on all the measures taken.</p> | <ul style="list-style-type: none"> • Informal session of the open-ended Working Group of the PBC (July 14-15 2005) reviewed draft WIPO Internal Audit Charter and recommended it to the WIPO General Assembly for approval • The proposed Charter fully addresses issues contained in this Recommendation, including audit and evaluation plans and a follow-up system (see document A/41/11) | <p>[No comment]</p> |