

ANNEX II

EXTRACT FROM THE REPORT OF THE TWELFTH SESSION OF THE PROGRAM  
AND BUDGET COMMITTEE (DOCUMENT WO/PBC/12/9)

ITEM 3 OF THE AGENDA:

PROPOSED PROGRAM AND BUDGET FOR THE 2008/09 BIENNIUM

20. Discussions were based on document WO/PBC/12/3. The document was introduced by the Controller who recalled that the first reading of the Proposed Program and Budget for 2008/09 had taken place at the Committee's eleventh session held in June 2007, at which time the PBC had (i) expressed general support for the five strategic goals and framework of the proposed Program and Budget for the 2008/09 Biennium, (ii) expressed views and sought clarifications on a number of issues in relation thereto and (iii) looked forward to its September 2007 session to make its final recommendations to the General Assembly in this respect.

21. In her introduction, the Controller highlighted that the following changes had been made to the document, in response to the feedback received from the eleventh session of the Committee:

- (a) The diagram providing an overview of the 2008/09 WIPO Strategic Framework had been revised to include proposed 2008/09 budget figures as well as indicative headcount figures by program and strategic goal;
- (b) Where appropriate, charts included in the document had been updated to include a column indicating the figures as presented and approved under the Initial Budget for 2006/07;
- (c) An organigram had been included in the document to illustrate the organizational structure of the Secretariat of WIPO;
- (d) The summary tables which follow the program narratives had been expanded to include further information on budget figures as well as proposed human resource levels;
- (e) The narrative of Program 7 had been updated to more accurately reflect WIPO's activities in the full breadth of this Program's geographical coverage; and
- (f) The level of resources proposed to be allocated to Program 6 had been increased by one million Swiss francs, with a compensating reduction in the proposed level of unallocated resources, thus maintaining the overall level of the proposed 2008/09 budget unchanged.

22. Interventions on this item (including by way of general statements), were made by the Delegations of Algeria (on behalf of the African Group), Barbados, Brazil, Chile, China, Ecuador, Egypt, France, Germany, Italy (on behalf of Group B), Japan, Morocco, Netherlands, Republic of Korea, Romania, Russian Federation, South Africa, Switzerland, Thailand, United Kingdom, the United States of America and Zambia.

23. All delegations that spoke reiterated their support for the five strategic goals contained in the Proposed Program and Budget for the 2008/09 biennium and thanked the Secretariat for the work done to reflect the feedback of the June session of the Committee, and to provide additional information and data as requested.
24. The Delegation of Algeria (on behalf of African Group) emphasized the importance of activities under programs 3, 6 and 11 to the Group. It stated that the African Group could not support the 15% reduction of PCT fees, as the resulting loss of income of 68 million Swiss francs would negatively impact the implementation of 2008/09 programs.
25. The Delegations of France, Germany, Netherlands, Republic of Korea and the United States of America stated that they were not in a position to support the proposal to create 30 new regular budget posts to start regularizing a certain number of short term employees, before considering the recommendations contained in the desk-to-desk assessment report. In their view, the eventual regularization of 30 short-term staff, if any, should be headcount neutral (the Controller confirmed that it would be so) and should also ensure overall reduction, in the long term, in the percentage of short-term employees as compared to the overall headcount of the Organization.
26. The Delegations of France, Netherlands, Republic of Korea, Switzerland and the United States of America expressed reservations regarding the formulation of a recommendation at this time for the adoption of the proposed Program and Budget for 2008/09, in view of recommendations contained in the report on the desk-to-desk assessment and follow-up actions that might result there from, as well as the possible decision by the forthcoming PCT Assembly on a reduction of PCT fees.
27. Several delegations expressed their strong support for program activities directed at the implementation of the Development Agenda and stated that the Program and Budget for 2008/09 should ensure that such activities be allocated an appropriate level of resources.
28. The Delegation of Algeria (on behalf of the African Group) supported the recommendation to adopt the proposed Program and Budget for 2008/09 as presented in document WO/PBC/12/3, and pointed out that the desk-to-desk report had no legal status as it had not yet been adopted.
29. In reply to an intervention by the Delegation of Ecuador, on an erroneous entry in Appendix A of the Spanish language version of document WO/PBC/12/3, referring to Ecuador's contribution, the Secretariat stated that the error would be rectified in the final version of the document.
30. Following an intervention by the Delegation of Germany, it was agreed that in the final version of document WO/PBC/12/3, paragraph 30 would be amended to read "no change in the schedule of fees payable under the Madrid System to the International Bureau." (This would avoid any possible confusion in respect of the schedule of fees payable to designated countries as opposed to the fees payable to the International Bureau under the Madrid System).
31. The Delegation of Italy announced that, following the signing of a Memorandum of Understanding between WIPO and the Government of Italy earlier in the week, the footnote to Table IV in document WO/PBC/12/3, should be adjusted accordingly and the table updated with the appropriate figures once these were finalized.

32. The Delegation of Switzerland requested that the organigram appearing in document WO/PBC/12/3 be further expanded to the level of directors. (The Secretariat confirmed that a revised version of this organigram would be provided in the final version of the document.)

33. Following requests from the floor, the Secretariat provided clarifications in respect of various issues, including the distribution of personnel resources by strategic goal and individual program; the geographical and regional allocation of resources under Program 6 (Africa, Arab, Asia and Pacific, Latin America and the Caribbean Countries, Least Developed Countries), as well as under certain funds-in-trust; the rationale for the proposed increase in the level of resources for Programs 25 (Human Resources Management), 28 (Conference, Printing, Mailing and Language Services), 31 (New Construction) and 32 (Security).

34. In reply to a question from the Delegation of the United States of America, the Controller provided to the Delegation a table showing the extent to which the proposed increase of (approximately) 100 million Swiss francs from the initial 2006/07 budget to the proposed budget for 2008/09 may be attributed to flexibility adjustments, as compared to other factors, including funding of long term liabilities, salary scale adjustments and cost increases due to inflation.

*35. The Program and Budget Committee recommended to the Assemblies of WIPO Member States the Program and Budget for 2008/09 as proposed in document WO/PBC/12/3, for its implementation in 2008,*

*- taking into account the clarifications given by the Secretariat and appearing in the report of the session of the Program and Budget Committee;*

*- with the exception of the transformation of 30 short term positions into regular budget posts and of the creation of three additional posts to compensate for those redeployed to security services, pending decisions that may be taken on the issue in light of the report of the desk-to-desk assessment; and*

*- with the recommendation to limit the budget of (new) Program 32 to the level of the (revised) budget for 2006/07 for security services (9.556 million Swiss francs), pending further consideration of the security issue.*

*36. This recommendation was made with no prejudice to any adjustments to the Program and Budget for 2008/09 that may be required by:*

(i) *the formal adoption of decisions, by the 2007 session of the Assemblies of the WIPO Member States, on the agreed proposals relating to a WIPO Development Agenda;*

(ii) *the formal adoption of decisions that may be taken by the 2007 session of the PCT Union Assembly in relation to the schedule of PCT fees;*

(iii) *the formal adoption of decisions that may be adopted by the 2007 session of the Assemblies of the WIPO Member States in respect of the report of the desk-to-desk assessment.*

*37. The Program and Budget Committee also recommended to the Assemblies of the WIPO Member States to decide to consider a revised Program and Budget for 2008/09 during their 2008 session for its implementation in 2009, in order to take into account any further changes that will be needed in light of the decision taken by the Assemblies under paragraph 36 above.*

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