

Assemblies of the Member States of WIPO

Forty-Eighth Series of Meetings Geneva, September 20 to 29, 2010

REVIEW OF BUDGETARY PROCESS APPLIED TO PROJECTS PROPOSED BY THE COMMITTEE ON DEVELOPMENT AND INTELLECTUAL PROPERTY (CDIP) FOR THE IMPLEMENTATION OF THE DEVELOPMENT AGENDA RECOMMENDATIONS

document prepared by the Secretariat

1. The present document contains the Review of Budgetary Process Applied to Projects Proposed by the Committee on Development and Intellectual Property (CDIP) for the Implementation of the Development Agenda Recommendations (document WO/PBC/15/6 Rev.), which was submitted to the WIPO Program and Budget Committee (PBC) at its fifteenth session (September 1 to 3, 2010).
2. The recommendation of the PBC in respect of this document will be included in the "Summary of Recommendations Made by the Program and Budget Committee at its Fifteenth Session Held from September 1 to 3, 2010" (document A/48/24).

3. *The Assemblies of the Member States of WIPO and of the Unions administered by it, each as far as it is concerned, are invited to approve the recommendation of the Program and Budget Committee made in respect of document WO/PBC/15/6 Rev., as recorded in document A/48/24.*

[Annex follows]

ANNEX



E

WO/PBC/15/6 REV.
ORIGINAL: ENGLISH
DATE : SEPTEMBER 1, 2010

Program and Budget Committee

Fifteenth Session

Geneva, September 1 to 3, 2010

BUDGETARY PROCESS APPLIED TO PROJECTS PROPOSED BY THE COMMITTEE ON DEVELOPMENT AND INTELLECTUAL PROPERTY (CDIP) FOR THE IMPLEMENTATION OF THE DEVELOPMENT AGENDA RECOMMENDATIONS

prepared by the Secretariat

WIPO'S CURRENT BUDGETARY PROCESS

1. The Assemblies of the Member States of WIPO in October 2009 requested the Secretariat "to undertake a review of the budgetary process applied to projects proposed by the CDIP for the implementation of the Development Agenda recommendations, with a view to submitting the recommendations of such review to the next regular session of the Program and Budget Committee"¹.
2. This request followed discussions at the 14th session of the Program and Budget Committee (PBC) in September 2009, during which a number of issues were raised by Member States regarding the financing and implementation of the Development Agenda (DA) projects and activities, including:
 - (i) need to address availability of funds due to the time-lag between the sessions of the CDIP and the PBC;
 - (ii) the financing of DA projects and activities and its integration into the budget process; and
 - (iii) the implementation of the DA recommendations within the WIPO RBM framework.

¹ See General Report of the Meeting of the Assemblies of the Member States of WIPO, Geneva, September 22 to October 1, 2009 (A/47/16, paragraph 275).

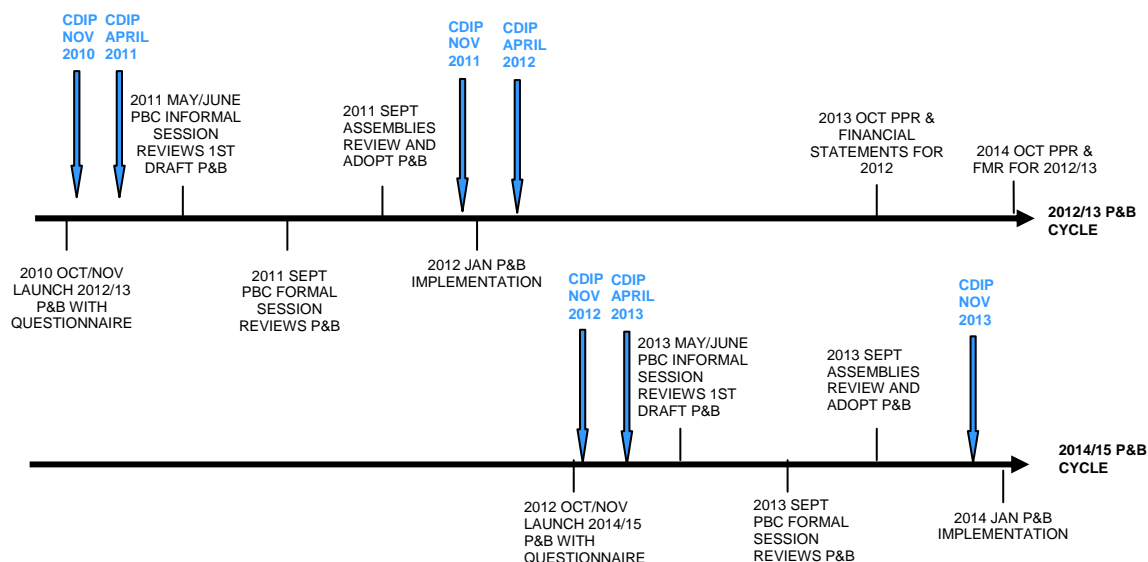
3. The Director General, in that session, responded to the issues raised by Member States by proposing that a budgetary mechanism be put in place in which: the budget allocations for the DA projects and activities would be determined in advance; and projects and activities would be mainstreamed into the Programs of the Organization. The Director General stressed that the details of this preliminary proposal would be further considered before a more definite proposal for a solution could be made to ensure that the concerns of all Member States would be duly reflected in such a proposed solution.
4. Successfully implementing and ensuring the appropriate level of funding for projects and activities to implement the DA recommendations and development activities as a whole, remains a key priority for the Organization. As requested by the Assemblies and taking duly into account the discussions at the 14th session of the PBC, the Secretariat undertook a review of the past and current practice of financing and implementing DA projects and activities within the overall context of WIPO's Program and Budget cycle. A key consideration in the review has been to ensure that DA projects and activities are integrated into the Results Based Management (RBM) framework of the Organization in order to facilitate their monitoring and evaluation within the overall context of program performance.
5. This document provides an overview of WIPO's planning and budgetary process within its RBM framework and the process of considering, approving and financing DA projects and activities while highlighting some of the main issues at stake. This is followed by the subsequent recommendations for consideration by the Program and Budget Committee. The Annex to this document presents an overview of funds allocated to DA projects and their utilization to date (as of August 31, 2010).

WIPO'S PLANNING AND BUDGETING CYCLE AND THE CONSIDERATION, APPROVAL AND FINANCING OF DA PROJECTS AND ACTIVITIES

6. WIPO's activities are planned and implemented within its results based framework, which establishes (i) the Organization's longer term Strategic Goals and Strategic Outcomes; (ii) shorter term objectives, expected results, performance indicators, baselines and targets (P&B) and the strategies to achieve these; (iii) the allocation of resources (P&B); (iv) activities which contribute to the achievement of results (Workplans); (v) the mechanism for managing organizational performance (monitoring and evaluation system); and (vi) the tools for reporting on organizational performance (Program Performance Report).
7. WIPO's Program and Budget cycle takes place within a four-year timeframe. Successive cycles overlap with the preparation of the biennial Program and Budget taking place every two years. Using the Program and Budgets for the 2012/13 and 2014/15 biennia as an example, the timelines and key elements of the cycle are illustrated in Diagram 1 below. Given the: (i) established annual timetable for Assembly meetings; (ii) timetable for submitting proposals for the Program and Budget; and (iii) requirements for providing documents to Member States in due time before the meetings; the opportunities for incorporating new activities or projects with related resource requirements into Program and Budget proposals can easily be determined (as of 2012/13 onwards with a temporary solution required for the year 2011).
8. The Program and Budget of the Organization provides a biennial resource framework for all WIPO's programs and activities. Within and/or across programs, which remain in

place over a longer period than purely a biennium, there may also be initiatives which extend beyond just the biennium. For such initiatives, funding is provided within the relevant program across successive biennial budgets.

Diagram I: WIPO Program & Budget Cycle



9. DA projects and activities are considered and approved by the CDIP at its annual sessions in April and November (illustrated in Diagram 1). At the 3rd session of the CDIP in April 2009 nine projects were presented (for the implementation of Recommendations 2, 5, 8, 9 and 10) and three thematic projects (for the implementation of Recommendations 7, 16, 19, 20, 23, 24, 27 and 32) were broadly agreed upon. Budgetary provisions for these projects and provisions to fund the start-up costs for the immediate implementation of additional DA projects, subject to the approval by the CDIP in November 2009, were included in the Program and Budget 2010/11 under unallocated non-personnel resources.
10. As a result of the timing of approvals, DA projects have not been fully integrated into the Organization's planning, programming and budgetary processes and its RBM framework. Mainstreaming the DA and development considerations in general into the Organization's regular program activities is one of the central challenges in the implementation and mainstreaming of the DA (as per CDIP/5/2). A key step in this direction would be to incorporate DA projects and activities into the work of all WIPO's programs with clear linkages to the expected results they will contribute to.
11. Some DA projects cut across several programs and in such cases the funds assigned to the projects are allocated to more than one program. This has led to some complexity in the management of resources and the reporting structures within the existing financial systems.
12. The above challenges are being addressed through the coordination function assigned to the Development Agenda Coordination Division (DACD), but the underlying fundamental principles would need to be addressed to ensure that the implementation of the WIPO DA takes place within, and is consistent with, the overall WIPO RBM framework.

RECOMMENDATIONS FOR CONSIDERATION BY THE PROGRAM AND BUDGET COMMITTEE

13. In light of the above, the PBC is invited to consider the following draft proposal governed by the WIPO Financial Regulations and Rules² which consists of a phased approach comprising a temporary solution for the year 2011 and a fully integrated solution as of the biennium 2012/13 as outlined below.

Transitional Solution for 2011 for the financing of DA projects and activities

14. For projects approved by the CDIP in November 2010 and April 2011, the Secretariat will identify resources within the current Program and Budget. Resource requirements for projects approved by the CDIP in November 2010 and April 2011 would be addressed and resources for implementation would be immediately available with no lag-time.

Fully Integrated Solution as of the biennium 2012/13

15. The Secretariat will assist Member States to ensure that all projects and activities, and any subsequent modifications thereof, before their final approval by the CDIP, would contain in their description a specific indication of:
- (i) the program(s) under which they are proposed to be implemented;
 - (ii) the expected result(s) to which the projects and activities are envisaged to contribute to and how;
 - (iii) the specific resource requirements under each program(s); and
 - (iv) a breakdown of resource requirements per biennium (to enable incorporation into successive Program and Budgets, if necessary).
16. This could be achieved by introducing only minor revisions to the project document templates currently being used for projects proposed for the implementation of DA recommendations. The Program and Budget proposal would, as a result, contain specific references in the respective program narratives to projects endorsed by the CDIP and the envisaged contributions by the projects to the expected results. A summary table will be included in the Program and Budget proposal to present an overview of all DA project funding per program.
17. Resources required for the implementation of DA projects and activities approved by the CDIP in November 2011 (additional to those broadly agreed on in April 2011 session) and April 2012 (including projects broadly agreed upon) would be secured through a revised or supplementary budget for 2012/13, if and as necessary³. Resources required for the implementation of DA projects and activities approved by the CDIP in November 2012 (additional to those broadly agreed on in April 2012 session) and those approved by or broadly agreed on by the CDIP in April 2013 would be integrated into the Program and

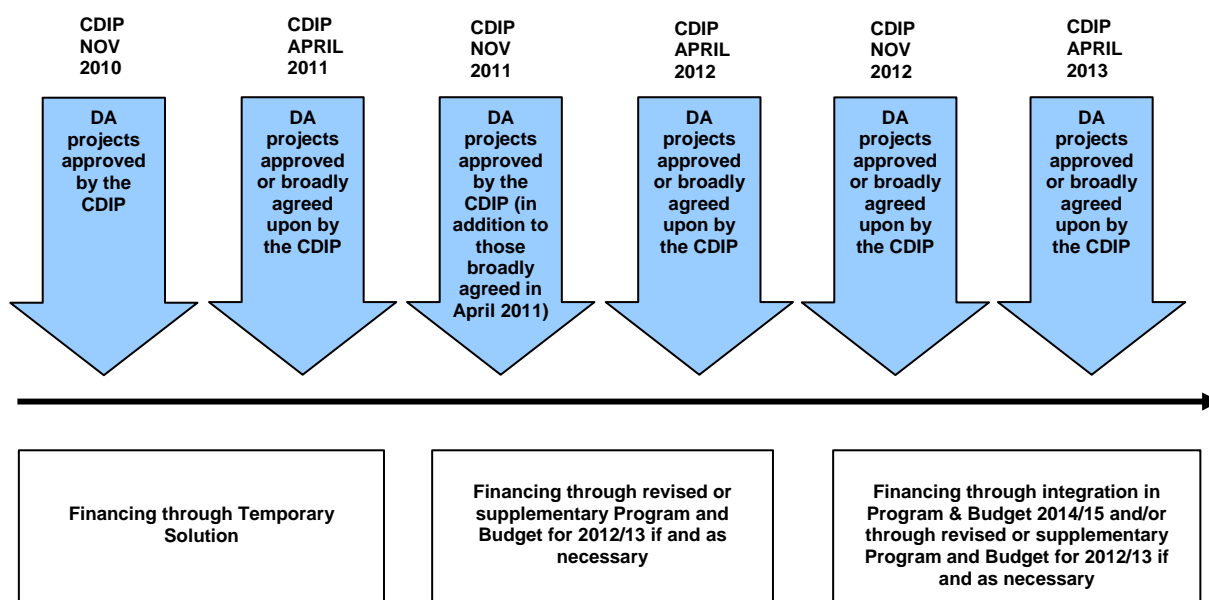
² In this respect, reference is made specifically to Regulation 5.5.

³ In the WIPO Financial Rules and Regulations, Regulation 2.9 stipulates that: "supplementary and revised program and budget proposals may be submitted by the Director General whenever necessary". According to Regulation 2.10 "the supplementary and revised budget proposals shall reflect changes in the financial and human resources requirements associated with: (i) activities which the Director general consider to be of the highest urgency and which could not have been foreseen at the time the initial program and budget proposals were prepared."

Budget proposal for 2014/15 and/or through revised or supplementary Program and Budget for 2012/13 if and as necessary (illustrated in Diagram 2 below).

18. One advantage of the Fully Integrated Solution would be that the planning and budgeting for DA projects and activities would gradually be brought in line with the other activities of the Organization facilitating mainstreaming of development, while at the same time maintaining and highlighting the importance of the DA through a more flexible funding mechanism. In addition, the monitoring and performance assessment of the implementation of the recommendations of the DA and development activities in general would be facilitated within the overall context of WIPO's RBM framework, thereby strengthening the Organization's capabilities to assess development results and impact.

Diagram 2: Proposed budgetary process for DA Projects and Activities



19. *The Program and Budget Committee is invited to recommend to the Assemblies of the Member States of WIPO to approve the proposals contained in paragraphs 13 to 18 of this document. The process so adopted would be subject to review at the session of the PBC in 2013.*

[Annex follows]

Development Agenda Projects
(in thousands of Swiss francs)

Development Agenda Projects REGULAR BUDGET 2010/11	Budget Allocations*			2010 Expenses & Encumbrances (as of 31 Aug)	% of Budget	Balance Available
	2010	2011	2010/11			
IP and Competition Policy	215	215	430	57	13.2%	373
IP and the Public Domain	205	155	360	42	11.5%	318
IP, Information and Communication Technologies (ICTs), the Digital Divide and Access to Knowledge	653	653	1,305	211	16.1%	1,094
Developing Tools for Access to Patent Information	374	562	936	179	19.1%	757
Enhancement of WIPO's Results-Based Management (RBM) Framework to Support the Monitoring and Evaluation of Development Activities	478	169	647	187	28.9%	460
IP and Product Branding for Business Development in Developing Countries and Least-Developed Countries (LDCs)	120	420	540	6	1.2%	534
IP and Socio-Economic Development	166	332	497	-	0.0%	497
Capacity-Building in the Use of Appropriate Technology-Specific Technical and Scientific Information as a Solution for Identified Development Challenges	195	195	390	-	0.0%	390
Total	2,406	2,700	5,105	681	13.3%	4,424

* Budget Allocations do not include costs of WIPO personnel, deployed for implementation of the projects.

These Budget Allocations are for 2010/11 only, some projects have additional allocations beyond this period. All allocations are incorporated in the respective programs' budgets.

Development Agenda - Five Recommendations RESERVE APPROPRIATION	Budget Allocations**	Expenses & Encumbrances			% of Budget	Balance Available
		2008/09	2010 (as of 31 Aug)	Total		
Conference on Mobilizing Resources for Development (Recommendation #2)	240	198	-	198	82.5%	42
IP Technical Assistance Database (IP-TAD) (Recommendation #5)	300	84	172	256	85.4%	44
Specialized Databases' Access and Support (Recommendation #8)	1,874	155	462	617	32.9%	1,257
IP Development Matchmaking Database (IP-DMD) (Recommendation #9)	190	42	47	89	46.7%	101
Recommendation #10: "To assist Member States to develop and improve national IP institutional capacity..."						-
1. Pilot Project for the Establishment of "Start-Up" National IP Academies	480	15	35	50	10.5%	430
2. Smart IP Institutions	1,169	111	89	200	17.1%	969
3. Innovation and Technology Transfer Support Structure for National Institutions	600	-	-	-	0.0%	600
4. Strengthening the Capacity of National IP Governmental and Stakeholder Institutions to Manage, Monitor and Promote Creative Industries, and to Enhance the Performance and Network of Copyright Collective Management Organizations	840	91	223	314	37.4%	526
5. Improvement of National, Sub-Regional and Regional IP Institutional and User Capacity	2,209	128	287	415	18.8%	1,794
<i>Sub-total, Recommendation 10</i>	<i>5,298</i>	<i>344</i>	<i>635</i>	<i>979</i>	<i>18.5%</i>	<i>4,318</i>
Total - Five Recommendations	7,900	823	1,315	2,138	27.1%	5,763

** Budget Allocations do not include costs of WIPO personnel, deployed for implementation of the projects.