

**Agenda Item 11 - Report on the Program and Budget Committee (PBC)****(doc. A/63/7)**

Madam Chair,

1. On behalf of the CEBS Group let me thank H.E. Ambassador of India for his able chairmanship of the Program and Budget Committee at the 34<sup>th</sup> session of the PBC and the Secretariat for its hard work and all the preparations.
2. The CEBS Group notes with satisfaction financial results for the biennium 2020/21 with record surplus of 244.8 million Swiss francs, which was generated mainly thanks to the income from fees of international IP systems for patents, trademarks and industrial design, especially with respect to the PCT System. Despite the Covid-19 pandemic, this clearly shows continued growing demand for IP services provided by WIPO.
3. Therefore, we welcome sound performance of WIPO and appreciate the fact that the Organization enjoys such positive financial results. We would also like to underline the importance of continuing this trend in the future.
4. We are aware that during the 34<sup>th</sup> session of the PBC some important decisions and recommendations were adopted. Besides endorsing the Secretariat to continue assessment and implementation of open recommendations of several WIPO bodies, the CEBS Group supports the approval of the supplementary capital master project - PCT RSP Hybrid Phase project. We share the view that such forward-looking project will contribute to better use of resources while ensuring the efficiency in delivering high-quality services and helping to address cyber security challenges.
5. The CEBS Group is also pleased to recall the decision to approve the proposed amendments to the Financial Regulations and Rules, which need to be adapted to the evolving Organization's business models, processes and systems, as well as to Medium-Term Strategic Plan and a revised WIPO strategic framework.
6. At the same time, we take note of the fact that the union allocation methodology still remains open as the topic for further discussion at the next PBC session.
7. On the topic of the evaluation of WIPO External Offices, we take note of the two rounds of negotiations on the document with the Draft Terms of Reference of the Evaluation of the WIPO External Offices. The CEBS Group would like to emphasize that the evaluation of WIPO External Offices must be done in a highly transparent, independent, and objective manner and should also reflect relevant specific circumstances of all EOs and their host countries. Based on the inputs and comments of delegations we are far from reaching a consensus, but we believe that these discussions at least helped us to understand different perspectives and views. The CEBS Group is ready to further engage constructively in the deliberations about the draft terms of reference for evaluation of EOs at the next session of PBC.
8. Thank you.