

WIPO



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WORLD INTELLECTUAL PROPERTY ORGANIZATION  
GENEVA

GOVERNING BODIES OF WIPO  
AND THE UNIONS ADMINISTERED BY WIPO

Tenth Series of Meetings  
Geneva, September 24 to October 2, 1979

FINANCES OF THE INTERNATIONAL BUREAU IN 1978  
ACCOUNTS FOR 1976, 1977 and 1978

Report by the Director General

SUMMARY

This document supplements the Management Report for 1978 by providing further details on the allocation of common expenses, and refers to those of 1976 and 1977. The final adoption of the accounts for 1976, 1977 and 1978 is proposed.

The document also contains the auditors' report for the 1978 financial year.

### Background

1. The Executive Committees of the Paris and Berne Unions have the task of submitting, "with appropriate comments," to the Assemblies of the Paris and Berne Unions, respectively, "the periodical reports of the Director General and the yearly audit reports on the accounts" (Paris (Stockholm) Convention, Article 14(6)(a)(iv) and Berne (Stockholm and Paris) Convention, Article 23(6)(a)(iv)). It is the task of the WIPO Coordination Committee to "give advice to the organs of the Unions, the [WIPO] General Assembly, the [WIPO] Conference, and the Director General, on all administrative, financial and other matters of common interest either to two or more of the Unions, or to one or more of the Unions and the Organization" (WIPO Convention, Article 8(3)(i)).
2. The Assemblies of the Paris, Berne, Madrid, Hague, Nice, Lisbon, Locarno, PCT and IPC Unions have the task of approving the final accounts of these Unions (Paris (Stockholm) Convention, Article 13(2)(a)(vi); Berne (Stockholm and Paris) Convention, Article 22(2)(a)(vi); Madrid (Stockholm) Agreement, Article 10(2)(a)(v); Hague (Stockholm) Agreement, Article 2(2)(a)(v); Nice (Stockholm) Agreement, Article 5(2)(a)(iv); Lisbon (Stockholm) Agreement, Article 9(2)(a)(v); Locarno Agreement, Article 5(2)(a)(iv); Patent Cooperation Treaty (PCT) (Washington), Article 53(2)(a)(vi); Strasbourg Agreement, Article 7(2)(a)(iv)).
3. The Council of the Lisbon Union has the task of examining the management reports on the Service for the International Registration of Appellations of Origin (see the Statutes of the Council of the Lisbon Union, Article 3(ii)).

### Accounts and Reports for 1976 and 1977

4. It will be recalled that the Executive Committees of the Paris and Berne Unions and the WIPO Coordination Committee noted and approved the 1976 and 1977 accounts at their meetings in 1977 and 1978 (see 1976 and 1977 Management Reports, the financial reports for 1976 and 1977 contained in documents AB/VIII/4 and AB/IX/4, and documents AB/VIII/16, paragraph 111, and AB/IX/19, paragraph 75). These accounts were audited by the Swiss Government and, to the extent that the latter still exercises the functions of Supervisory Authority, the accounts and Management Reports for those two years were approved by that Government (see the Management Reports for 1976 and 1977, and documents AB/VIII/4, Annex A, and AB/IX/4, Annex A).

5. The Assemblies of the Paris, Madrid, Hague, Nice, Lisbon, Locarno, IPC and Berne Unions are invited, each as far as it is concerned, to approve the accounts and reports for 1976 and 1977.

The Assembly of the PCT Union is invited to approve the accounts and reports for 1977.

### Accounts and Reports for 1978

6. The accounts for 1978 are contained in the 1978 Management Report. A copy of that Report has been sent to all member States of WIPO, of the Paris Union and of the Berne Union. The accounts and the Management Report for 1978 have been approved by the Swiss Government to the extent that the latter still exercises the functions of Supervisory Authority.
7. The Annexes to this document give the following further details on the financial year 1978:
  - (i) the auditor's report and statement (Annex A);
  - (ii) a report on proper expenses and the allocation of common expenses for 1978 among the Unions and the unit administered by WIPO (Annex B);
  - (iii) a report on amounts written off (Annex C).

8. The WIPO Coordination Committee and the Executive Committees of the Paris and Berne Unions are invited, each as far as it is concerned, to take note of the reports referred to in the preceding two paragraphs, to approve them (with such comments as they may wish to make) and to recommend that the General Assembly of WIPO and the Assemblies of the Paris, Madrid, Hague, Nice, Lisbon, Locarno, PCT, IPC and Berne Unions also approve the said reports and, in particular, each as far as it is concerned, the final accounts for 1978.

9. The Assemblies of the Paris, Madrid, Hague, Nice, Lisbon, Locarno, PCT, IPC and Berne Unions are invited, each as far as it is concerned, to approve the accounts and reports for 1978.

10. The Council of the Lisbon Union is invited to approve the WIPO Management Reports for 1976, 1977 and 1978 in respect of the Service for the International Registration of Appellations of Origin.

[Annexes follow]



**ANNEX A**

**AUDITORS' REPORT**

SWISS FEDERAL AUDIT OFFICE  
No. 933.1.1

[Contrôle fédéral des finances]

R e p o r t

on the

Auditing of the Balance Sheet and Accounts

of the

World Intellectual Property Organization (WIPO)

for the Financial Year 1978

TO THE POLITICAL DIRECTORATE, DIVISION III, OF THE  
FEDERAL POLITICAL DEPARTMENT, BERNE

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We have the honor to send you herewith four copies of the report on the auditing of the accounts for the financial year 1978.

Two copies of the report are intended for forwarding by your Department to the competent bodies of WIPO.

The audit of the 1978 accounts calls for no special observations on our part.

3003 Berne, May 7, 1979

W. Frei  
Deputy Director  
SWISS FEDERAL AUDIT OFFICE

## 1. GENERAL REMARKS

### 1.1 Mandate

At their sessions in Geneva, from September 27 to October 5, 1976, the General Assembly of WIPO and the Assemblies of the Paris, Berne, Madrid, Hague, Nice, Locarno, Lisbon and IPC Unions noted that the Swiss Government was willing to continue with the task of auditing the accounts of WIPO and the Unions mentioned at least until the end of 1979 (document AB/VII/23, page 48, paragraphs 312 to 315).

In addition, the Assembly of the PCT Union has also noted that the Swiss Government was willing to audit its accounts (document AB/IX/19, page 12, paragraph 81). It should be noted that the Patent Cooperation Treaty was adopted in principle on June 19, 1970, and entered into force on January 24, 1978.

The Government of the Swiss Confederation entrusted the auditing of these accounts to the Swiss Federal Audit Office.

In accordance with the mandate thus entrusted to us, we undertook from September 11 to 15 and October 9 to 13, 1978, and from January 15 to 19 and April 23 to 27, 1979, the auditing of the accounts for the financial year 1978 and the balance sheet as of December 31, 1978, at the headquarters of the Organization in Geneva.

The origins of the World Intellectual Property Organization (WIPO) as it now exists go back to 1883 and 1886, when the Paris and Berne Conventions, respectively, were concluded. The two Conventions each provided for the setting up of a secretariat, known as "the International Bureau." The two secretariats were united in 1893, since when they have borne a number of different titles, the most recent being "United International Bureaux for the Protection of Intellectual Property" (or BIRPI). BIRPI still subsists legally for those States that are members of the Paris and/or Berne Unions without being members of WIPO; in practice, however, it is impossible to distinguish them from WIPO. For the sake of simplicity, we have used the abbreviation WIPO in this report. WIPO acquired the status of specialized agency of the United Nations on December 17, 1974.

### 1.2 Information Received and Conversations

Mr. A. Jaccard, Counsellor, Head of the Finance Section, and his assistants obligingly supplied us, to our entire satisfaction, with all the information and documents we required in order to carry out our task. In the course of the audit, we were received by Dr. A. Bogsch, Director General, and Mr. M. Pereyra, Director of the Administrative Division, thus giving us the opportunity to inform them of our findings.

### 1.3 Nature and Scope of the Audit

Our examination related to entries in the income and expenditure accounts and the balance sheet for the 1978 financial year, and also to the items appearing in the balance sheet as of December 31, 1978, and the financial documents relating thereto. We carried out the examination according to generally accepted auditing standards.

## 2. 1978 BUDGET AND RESULTS

### 2.1 Budget

- The WIPO Coordination Committee pronounced on the budget of common expenses for 1978 and on the program and budget for development cooperation.

- The Executive Committee of the Paris Union approved the 1978 program and budget in respect of the Paris Union and the activities conducted under the PCT and ICIREPAT.



- The Executive Committee of the Berne Union approved the 1978 program and budget in respect of the Berne Union.

- The Assembly and the Committee of Directors of the Madrid Union adopted the program and the triennial budget of the Madrid Union for the financial year 1978.

- The Assemblies of the Hague, Nice, Lisbon, Locarno and IPC Unions approved, each as far as it was concerned, the program and triennial budget (1977 to 1979).

The budget provided for:

total receipts of . . . . .	25,068,000 francs
and	
total expenditure of . . . . .	22,991,000 francs
giving a surplus of	
receipts of . . . . .	2,077,000 francs
	=====

## 2.2 Overall Results

The overall results of the 1978 financial year were as follows:

receipts . . . . .	25,399,973 francs
expenditure . . . . .	23,212,127 francs
	=====
Surplus of receipts . . . . .	2,187,846 francs
	=====

The interest credited to the reserve fund of the Madrid Union (260,936.85 francs) and fees charged under Article 8(2)(b) and (c) of the Nice Act of the Madrid Agreement will be distributed in accordance with Article 8(5) and (6) of the same Act (7,177,790 francs).

The above results are reflected, within the various Unions and units, in corresponding increases or decreases in the reserve funds, accumulated deficits or debit balances in the balance sheet as of December 31, 1978. These entries are set out in paragraphs 5.22 and 6.21 et seq. of this report.

## 3. ACCOUNTS

### 3.1 Receipts

The figures appearing in Table WIPO/2 of the Management Report under the heading "Receipts" agree with those in the accounts. The accounting entries relating to receipts were verified by spot checks.

The 1978 receipts are made up of ordinary, mixed or special contributions, fees charged for services rendered in connection with the Madrid, Hague, Lisbon and PCT Unions, the proceeds of subscriptions to WIPO periodicals, the sale of publications and miscellaneous receipts.

The ordinary contributions of member countries of the Paris, Nice, Locarno and Berne Unions were calculated according to the rules contained in the Conventions and Agreements in force, and within the contribution ceilings fixed by the Assemblies of these Unions.

As regards mixed contributions, the IPC Assembly set a ceiling for its contributions at its 1976 session (document AB/VII/23, paragraph 239). These contributions were adapted for 1978 (document AB/VIII/2, Annex J).

As for special contributions, we noted that 26 countries shared in the financing of the Patent Cooperation Treaty (PCT), and 21 countries in that of the Paris Union Committee for International Cooperation in Information Retrieval Among Patent Offices (ICIREPAT).

An agreed contribution of 355,174.10 francs was paid by the Union for the Protection of New Varieties of Plants (UPOV) for services rendered by WIPO in the course of 1978.

The interest borne by bank accounts and by the investment with the Swiss Confederation was also checked on the basis of the relevant documents. We noted that, as usual, those responsible had endeavored to obtain the most favorable terms.

### 3.2 Expenditure

The figures in Table WIPO/3 of the 1978 Management Report concerning expenses agree with the accounts.

We verified, also by spot checks, the entries relating to expenses on the basis of accounting documents and noted that the supporting vouchers and expenditure commitments bore the signatures prescribed by Rules 2(a) and 3(a) of the Financial Rules.

## 4. BALANCE SHEET AS OF DECEMBER 31, 1978: GENERAL REMARK

The balance sheet as of December 31, 1978, which totals 81,846,724.04 francs is published in the Management Report (Table WIPO/1). We satisfied ourselves that all the items in the balance sheet agreed with the accounting entries.

Moreover, in reply to our inquiry, the Head of the Finance Section of WIPO informed us that, to his knowledge, all financial obligations toward third parties had been entered in the accounts.

## 5. BALANCE SHEET: ASSETS

### 5.1 Liquid Assets

The balances of the cash, postal cheque and bank accounts were vouched by the presentation of the cash book and statements of account from the postal cheque office and banks. We also requested from the Swiss Bank Corporation, the Swiss Credit Bank, the Union Bank of Switzerland at Geneva, and the Caisse d'Epargne de la République et Canton de Genève, attestations certifying that the assets deposited with them at the end of the financial year were not the subject of any third-party rights.

The reports on the random checks of cash in hand, provided for in Rule 3(f) of the Financial Rules, were duly presented to us.

Part of the assets of the Madrid Union reserve fund--totalling 2,691,721.36 francs on December 31, 1978--is in a deposit account with the Federal Cash and Accounting Services of the Swiss Confederation. The above amount has been attested by an accounting document from the Services mentioned. The deposit bore interest at 4.5% during 1978. The remainder of the assets of the reserve fund, invested in real estate, is dealt with in paragraph 5.33 of this report. In addition, the working capital fund of the Locarno Union is also placed in a deposit account with the Federal Cash and Accounting Services of the Swiss Confederation at an interest rate of 4.5%.

## 5.2 Debit Accounts

### 5.21 Arrears in contributions

Tables WIPO/5 to WIPO/11 of the Management Report show in detail the contributions payable by each country to the Paris, Nice, Locarno, PCT, IPC and Berne Unions and to the WIPO Convention.

The situation of the arrears in contributions mentioned in our preceding report has further deteriorated during the 1978 financial year, as shown in the following table:

#### Contributions in Arrears at the End of 1978 and Development Between 1974 and 1978

Union	Total on 31.12.78	Increase/Decrease			
		from 1977 to 1978	from 1976 to 1977	from 1975 to 1976	from 1974 to 1975
	francs	francs	francs	francs	francs
Paris	1,595,323.22	+ 602,924.24	+ 96,556.00	-11,934.22	+202,020.46
Nice	18,303.00	+ 1,187.00	+ 5,412.00	- 4,377.00	+ 11,319.00
Locarno	12,019.00	+ 7,883.00	+ 18.00	-10,294.00	+ 12,234.00
IPC	295,615.83	+ 277,052.83	+ 18,563.00	-	-
Berne	1,032,883.38	+ 392,023.59	+147,062.74	+15,793.32	+ 63,915.13
Total	2,954,144.43	+1,281,070.66	+267,611.74	-10,811.90	+289,488.59
	=====	=====	=====	=====	=====

### 5.22 Unions Showing a Deficit

#### Lisbon Union

The accumulated deficit at December 31, 1977, amounted to	23,191.19 francs
The surplus in 1978 amounted to	1,798.43 francs
The accumulated deficit as of December 31, 1978, was thus reduced to	21,392.76 francs
	=====

#### PCT Union

The debit balance of 6,864.86 francs in the balance sheet as at December 31, 1977, has been made good by contributions in respect of 1977. The debit balance at December 31, 1978, amounted to 330,529.90 francs.

## 5.3 Fixed Assets

### 5.31 Annex to the WIPO Headquarters Building

The construction of a temporary building on the same site as the main building was completed at the beginning of 1971 and was financed by the reserve fund of the Madrid Union. The total final cost amounted to 770,011.55 francs.

Following an initial repayment of 12,841.55 francs in 1971 and six repayments of 77,000 francs each in the subsequent years, the balance of the debt amounted to 295,170 francs at December 31, 1977. In view of the construction of the new building and the demolition of the temporary building, WIPO reimbursed the entire balance to the Madrid Union in 1978.

5.32 New WIPO Building Construction Account

On December 31, 1978, the construction account had reached the amount of 46,798,456.40 francs. The situation described in our report on the auditing of the 1973 accounts, concerning the system for the routing of invoices and payment authorizations and the allocation of duties with respect to formal and material supervision, underwent no change in 1978. Our examination of accounting entries, on the basis of documents duly certified by the competent persons responsible for doing so, calls for no special comment.

5.33 Apartment Building: Madrid Union

As mentioned in paragraph 3.2 of the 1974 audit report, the Assembly and the Committee of Directors of National Industrial Property Offices of the Madrid Union decided in 1972 to invest part of the assets of the reserve fund in apartment buildings located in Geneva or on Swiss territory in the immediate vicinity of Geneva. Through the intermediary of its Director General, WIPO acquired, on December 23, 1974, apartment building No. 40, rue de la Prulay, in Meyrin. The building appears in the balance sheet with a value of 3,327,251.40 francs, which corresponds to the purchase price.

6. BALANCE SHEET: LIABILITIES

6.1 Credit Accounts

6.11 Funds

This item (table WIPO/15 in the Management Report) comprises:

- provision for distribution to the member States of the Madrid Union of the surplus for 1978 (144,034 francs);
- provision for distribution of the fees received under the Nice and Stockholm Acts of the Madrid Agreement (7,177,790 francs);
- provision for future expenditure (197,763.30 francs).

6.12 Loan from FIPOI (Fondation des immeubles pour les organisations internationales)

By decision of October 6, 1971, the parliamentary bodies of the Swiss Confederation authorized the Fondation des immeubles pour les organisations internationales (FIPOI) to grant a loan of 25 million francs to WIPO for the construction of its new building. Subsequently, on March 6, 1975, and September 26, 1977, the same bodies approved the further loans of 17 million and 8.8 million francs. As is usual with building loans, the interest computed on the sums made available during the period of construction was capitalized and therefore increased the debt towards FIPOI. The total loan (54,898,531 francs) thus comprises the sum invested (50,800,000 francs) and the capitalized intervening interest (4,098,531 francs). The loan is to be repaid in 40 annual instalments.

The sum entered in the WIPO balance sheet (55,016,813.15 francs) includes not only the total loan (54,898,531 francs) but also the active interest (118,282.15 francs) credited by the bank on funds paid in by FIPOI and only used gradually. Instead of being reimbursed directly, this interest has been added to the debt towards FIPOI.

6.2 Reserve Funds

The situation of the reserve funds had developed as follows:

6.21 Paris Union

Situation at January 1, 1978	334,695.03 francs
Surplus in 1978	2,642.53 francs
	<hr/>
Situation at December 31, 1978	337,337.56 francs
	=====

6.22 Madrid Union

Situation at January 1, 1978	3,608,483.36 francs
Result for 1978	
- Surplus	+ 1,440,509.66
- Distribution to States	- 144,034.--
	<hr/>
	1,296,475.66 francs

Interest

- Current account with Swiss Confederation	256,061.85	
- fixed-term accounts	4,875.--	
- withdrawal for the temporary building (see also 5.31 herein)	4,427.55	265,364.40 francs
	<hr/>	
Situation at December 31, 1978		5,170,323.42 francs
		=====

6.23 Hague Union

Situation at January 1, 1978	108,827.68 francs
Surplus in 1978	11,345.95 francs
	<hr/>
Situation at December 31, 1978	120,173.63 francs
	=====

6.24 Nice Union

Situation at January 1, 1978	11,402.59 francs
Surplus in 1978	40,220.74 francs
	<hr/>
Situation at December 31, 1978	51,623.33 francs
	=====

6.25 Locarno Union

Situation at January 1, 1978	24,207.99 francs
Surplus in 1978	12,855.73 francs
	<hr/>
Situation at December 31, 1978	37,063.72 francs
	=====

6.26 ICIREPAT

Constitution of a reserve fund	
Surplus in 1978	48,984.78 francs
	<hr/>
Situation at December 31, 1978	48,984.78 francs
	=====

6.27 IPC Union

Situation at January 1, 1978	341,944.22 francs
Surplus in 1978	3,805.03 francs
Situation at December 31, 1978	345,749.25 francs
	=====

6.28 Berne Union

Situation at January 1, 1978	756,522.67 francs
Surplus in 1978	26,213.20 francs
Situation at December 31, 1978	782,735.87 francs
	=====

6.3 Working Capital Funds

6.31 Constitution of Working Capital Funds

At their September-October 1976 sessions, the competent intergovernmental bodies decided that the current system, whereby ordinary contributions fell due after the financial year to which they related, should be gradually replaced, during the period from 1978 to 1983, by a new system providing that annual contributions will be due on the first day of the financial year to which they relate. It was therefore decided to set up working capital funds for the following Unions:

Paris Union	2,000,000 francs
Berne Union	1,300,000 francs
Hague Union	260,000 francs
Nice Union	160,000 francs

These funds will be constituted by means of six equal annual payments, the amount being paid to the International Bureau by all the member countries of each of the Unions concerned on the first day of 1978, 1979, 1980, 1981, 1982 and 1983. As decided by the Governing Bodies of WIPO on October 4, 1977 (document AB/VIII/16, paragraph 153), a first stage in the creation of the working capital funds was completed by the end of the 1977 financial year, and a second stage completed in 1978.

6.32 Paris Union

Situation at January 1, 1978	170,000.00 francs
Increase charged to 1978 financial year	497,000.00 francs
Situation at December 31, 1978	667,000.00 francs
	=====

6.33 Hague Union

Situation at January 1, 1978	40,000.00 francs
Increase charged to 1978 financial year	47,000.00 francs
Situation at December 31, 1978	87,000.00 francs
	=====

6.34 Nice Union

Situation at January 1, 1978	10,000.00 francs
Increase charged to 1978 financial year	43,000.00 francs
Situation at December 31, 1978	53,000.00 francs
	=====

6.35 Locarno Union

Situation at January 1, 1978		30,624.30 francs
- Participation of one new country	+ 2,903.00	
- 1977 interest transferred to annual account	- 624.30	2,278.70 francs
Situation at December 31, 1978		32,903.00 francs =====

6.36 Berne Union

Situation at January 1, 1978	90,000.00 francs
Increase charged to 1978 financial year	343,000.00 francs
Situation at December 31, 1978	433,000.00 francs =====

6.4 Buildings

6.41 Investment in the BIRPI Building

This item represents the total amortization made in respect of the BIRPI building. At December 31, 1978, it amounted to 2,571,694.05 francs. The total amortization corresponds to the cost of construction entered as an asset in the balance sheet as of December 31, 1978.

6.42 Construction of the WIPO Building

This relates to an amortization account which has been shown in the balance sheet since December 31, 1972, for the amount of 400,000 francs. We recall that this amount was borne by the Unions in 1971 and 1972 under building costs (see our report on the auditing of the 1972 accounts).

7. CONCLUSIONS

On the basis of our examination, we are in a position to certify:

(a) that the financial statements, as reproduced in the WIPO Management Report for 1978, agree with the accounts of the Organization;

(b) that the financial operations recorded in the accounts are in conformity with the applicable provisions;

(c) that the funds deposited in the banks, with the Swiss Confederation and in the postal cheque account have been certified by the depositaries of these funds;

(d) that the account books and the supporting documents have been kept in a careful and well-ordered manner.

3003 Berne, May 7, 1979

SWISS FEDERAL AUDIT OFFICE

R. Küttel

K. Baumann

Statement of the external auditor of WIPO

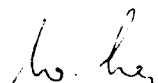
In accordance with Article 9 of the contract dated June 29, 1973, made between the United Nations Development Programme (UNDP) and the World Intellectual Property Organization (WIPO) concerning the Modernization of the Brazilian Patent System (UNDP No. BRA/71/559), the external auditor of WIPO has examined the accounts and records of WIPO relating to operations under this contract for the period of January to December 1978.

He can certify that the statement of actual expenditure made by WIPO during the period October 1, 1973 - December 31, 1978 (see document attached to the Project progress report No. 21 dated February 23, 1979, to Mr. John B. Cella, Jr., Senior Director, Office for Projects Execution UNDP, New York), showing

	US \$
expert costs	2'187'652.85
fellowships	3'186.56
costs for equipment	297'143.88
miscellaneous	7'245.02
technical support and administrative services (22 % of 2'495'228.31)	548'950.23
	<hr/> 3'044'178.54
	=====

has been found to be in accordance with the bookkeeping and the documents presented to him by the finance officers of WIPO.

Berne, May 7, 1979



W. Frei

Deputy Director  
Swiss Federal Audit Office

[Annex B follows]



ANNEX B

REPORT ON PROPER EXPENSES AND THE ALLOCATION  
OF COMMON EXPENSES FOR 1978 AMONG THE UNIONS  
AND THE UNIT ADMINISTERED BY WIPO

PROPER EXPENSES AND COMMON EXPENSES

1. The Financial Rules of WIPO define expenditure as follows: "Any expenditure which is incurred in the exclusive interest of a given Union shall be considered as a 'proper expense' of that Union" (Rule 7(a)). "Any expenditure which is incurred in the interest of two or more Unions shall be considered as a 'common expense'" (Rule 7(b)). As regards the share of each Union in the common expenses, the Financial Regulations of WIPO provide that "such shares shall be equitable and adapted to the circumstances in each case. They shall be based on the extent to which each Union is expected to benefit from the common expenses" (Regulation 3.1).
2. The allocation of common expenses, i.e. those common to two or more Unions or units administered by WIPO, for the 1978 financial year was done in accordance with the rules adopted by the WIPO Coordination Committee on October 4, 1977 (document AB/VIII/16, paragraph 218(vi)).
3. The expenditure for the financial year 1978 is therefore shown under two main headings: "proper expenses" (Tables B.1 to B.10) and "common expenses" (Tables B.11 to B.34, in which the relevant percentages of allocation applied are given in each case).

PROPER EXPENSES

<u>B.1</u>	<u>Paris Union</u>	<u>Francs</u> (1)
	Missions	37 456.55
	Third-party travel	12 278.00
	Conferences	486 575.50
	Consultants	83 427.00
	Printing	32 273.72
	Other contractual services	1 405.60
	Communications and other general operating expenses	2 261.75
	Miscellaneous and unforeseen	23 655.00
	Total	679 333.12 (2.93% of expenditure) (2)

<u>B.2</u>	<u>Madrid Union</u>	
	Consultants	31 795.40
	Printing	789 084.12
	Other contractual services	4 227.60
	Rental and maintenance of equipment and furniture	11 013.60
	Communications and other general operating expenses	47 507.55
	Supplies and materials	38 956.40
	Acquisition of furniture and equipment	5 158.55
	Total	927 743.22 (4% of expenditure) *

\*Not including the amounts distributed to States (7 177 790.00 francs)

<u>B.3</u>	<u>The Hague Union</u>	
	Printing	25 535.00
	Communications and other general operating expenses	3 378.00
	Supplies and materials	3 362.75
	Total	32 275.75 (0.14% of expenditure)

<u>B.4</u>	<u>Nice Union</u>	
	Conferences	17 510.15
	Printing	6 703.86
	Other contractual services	16 879.95
	Total	41 093.96 (0.18% of expenditure)

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(1) "Francs" denotes Swiss francs.

(2) All calculations of percentages in this Annex are based on actual expenditure amounting to 23 212 127.13 francs.

<u>B.5</u>	<u>Lisbon Union</u>	<u>Francs</u>	
	Printing	4 703.59	
	Other contractual services	426.00	
	Total	5 129.59	(0.02% of expenditure)

<u>B.6</u>	<u>Locarno Union</u>		
	Conferences	13 994.75	
	Other contractual services	16 961.85	
	Total	30 956.60	(0.13% of expenditure)

<u>B.7</u>	<u>PCT</u>		
	Miscellaneous staff costs	7 009.20	
	Missions	64 758.05	
	Third-party travel	516.25	
	Conferences	120 024.45	
	Consultants	8 316.00	
	Printing	230 501.38	
	Other contractual services	5 098.35	
	Rental and maintenance of equipment and furniture	8 583.20	
	Communications and other general operating expenses	319.40	
	Supplies and materials	2 867.55	
	Acquisition of equipment and furniture	6 964.75	
	Total	454 958.58	(1.96% of expenditure)

<u>B.8</u>	<u>ICIREPAT</u>		
	Missions	9 857.30	
	Third-party travel	25 146.40	
	Conferences	21 968.25	
	Other contractual services	194.70	
	Rental and maintenance of equipment and furniture	80.00	
	Communications and other general operating expenses	62.40	
	Miscellaneous and unforeseen	44 457.17	
	Total	101 766.22	(0.44% of expenditure)

<u>B.9</u>	<u>IPC Union</u>		
	Missions	56 664.70	
	Conferences	35 074.20	
	Consultants	47 526.05	
	Printing	751.84	
	Communications and other general operating expenses	111.40	
	Total	140 128.19	(0.60% of expenditure)

<u>B.10</u>	<u>Berne Union</u>	<u>Francs</u>	
	Standard staff costs	496 966.10	
	Other miscellaneous staff costs	18 316.10	
	Missions	27 596.15	
	Third-party travel	19 644.00	
	Conferences	86 443.55	
	Consultants	20 547.26	
	Printing	171 661.15	
	Other contractual services	38 808.00	
	Communications and other general operating expenses	8 286.75	
	Total	888 269.06	(3.83% of expenditure)

COMMON EXPENSES\*B.11 "Director General's Office" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
28%	19%	3%	3%	-	2%	4%	5%	11%	24%	1%

Application, in toto, to 1 299 836.65 francs (5.60% of expenditure):

Standard staff costs**	1 100 844.45
Other miscellaneous staff costs	46 093.50
Missions**	44 954.00
Third-party travel**	7 914.80
Conferences**	9 413.50
Printing	13 148.00
Communications and other general operating expenses**	14 419.55
Supplies and materials**	54 244.85
Acquisition of furniture and equipment	8 724.00
Other expenses**	80.00

\* The allocation of common expenses, i.e. those common to two or more Unions or units administered by WIPO, for the 1978 financial year was done in accordance with the rules adopted by the WIPO Coordination Committee on October 4, 1977 (document AB/VIII/16, paragraph 218 (vi)).

\*\* UPOV does not share in the allocation of the salary (WIPO costs) of the Director General of WIPO or in expenditure for missions, third-party travel, conferences, communications and other general operating expenses, supplies and materials, or other expenses. This expenditure is allocated as follows: Paris 29%; Madrid 19%; The Hague 3%; Nice 3%; Lisbon 0%; Locarno 2%; PCT 4%; ICIREPAT 5%; IPC 11%; Berne 24%.

B.12 "Deputy Director General Mainly Responsible for Industrial Property (including Registration Services)" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
52%	33%	4%	2%	-	2%	7%	-	-	-	-

Application, in toto, to 238 146.20 francs (1.03% of expenditure):

Standard staff costs	234 576.25
Other miscellaneous staff costs	3 569.95

B.13 "Deputy Director General Mainly Responsible for Copyright, External Relations and Development Cooperation" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
10%	5%	2%	2%	-	1%	2%	2%	2%	74%	-

Application, in toto, to 244 022.20 francs (1.05% of expenditure):

Standard staff costs	244 022.20
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B.14 "Deputy Director General Mainly Responsible for Patent Information and Documentation, and Various Classification Matters" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
24%	18%	5%	5%	-	3%	3%	12%	30%	-	-

Application, in toto, to 248 172.25 francs (1.06% of expenditure):

Standard staff costs	237 543.20
Other miscellaneous staff costs	10 629.05

B.15 "External Relations" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
47%	9%	1%	1%	-	1%	3%	2%	6%	29%	1%

Application, in toto, to 409 577.25 francs (1.76% of expenditure):

Standard staff costs	361 154.45
Other miscellaneous staff costs	22 276.20
Missions*	115.40
Communications and other general operating expenses*	26 031.20

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\* UPOV does not share in expenditure for missions or communications and other general operating expenses. This expenditure is allocated as follows: Paris 48%; Madrid 9%; The Hague 1%; Nice 1%; Lisbon 0%; Locarno 1%; PCT 3%; ICIREPAT 2%; IPC 6%; Berne 29%.

B.16 "Industrial Property Division" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
80%	17%	1%	1%	-	1%	-	-	-	-	-

Application, in toto, to 1 373 113.35 francs (5.92% of expenditure):

Standard staff costs	1 255 263.70
Other miscellaneous staff costs	79 068.20
Missions	1 327.20
Consultants	37 014.45
Communications and other general operating expenses	439.80

B.17 "Registration Service" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
1%	83%	10%	5%	-	1%	-	-	-	-	-

Application, in toto, to 2 089 420.10 francs (9.00% of expenditure):

Standard staff costs	1 983 368.85
Other miscellaneous staff costs	105 675.55
Missions	147.00
Printing	92.80
Communications and other general operating expenses	135.90

B.18 "Administrative Division" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
24%	31%	3%	2%	-	1%	10%	4%	8%	15%	2%

Application, in toto, to 1 501 617.11 francs (6.47% of expenditure):

Standard staff costs	1 238 398.15
Other miscellaneous staff costs	193 484.75
Missions*	6 920.65
Conferences*	8 403.95
Printing	869.00
Other contractual services*	2 792.20
Communications and other general operating expenses*	1 327.75
Supplies and materials	3 862.50
Acquisition of furniture and equipment	45 303.16
Other expenses	255.00

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\* UPOV does not share in expenditure for missions, conferences, other contractual services or communications and other general operating expenses. This expenditure is allocated as follows: Paris 25%; Madrid 32%; The Hague 3%; Nice 2%; Lisbon 0%; Locarno 1%; PCT 10%; ICIREPAT 4%; IPC 8%; Berne 15%.

B.19 "Finance Section" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
13%	57%	6%	-	-	-	6%	3%	5%	9%	1%

Application, in toto, to 1 368 864.20 francs (5.90% of expenditure):

Standard staff costs	1 247 778.45
Other miscellaneous staff costs	31 052.95
Printing	16 531.40
Other contractual services*	37 424.85
Rental and maintenance of equipment and furniture*	26 597.10
Communications and other general operating expenses	4 088.00
Acquisition of furniture and equipment	5 391.45

B.20 "Mail and Documents" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
20%	33%	2%	2%	-	-	9%	4%	10%	11%	9%

Application, in toto, to 2 597 279.79 francs (11.20% of expenditure):

Standard staff costs	1 738 339.20
Other miscellaneous staff costs	201 226.90
Consultants	200.00
Printing	6 026.40
Rental and maintenance of equipment and furniture	184 904.70
Communications and other general operating expenses	400 035.84
Supplies and materials	44 391.45
Acquisition of furniture and equipment	22 155.30

B.21 "Languages Section" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
35%	15%	2%	6%	-	-	10%	1%	4%	26%	1%

Application, in toto, to 625 529.20 francs (2.69% of expenditure):

Standard staff costs	573 298.50
Other miscellaneous staff costs	52 230.70

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\* UPOV does not share in expenditure for other contractual services or rental and maintenance of equipment and furniture (in part). This expenditure is allocated as follows: Paris 14%; Madrid 57%; The Hague 6%; Nice 0%; Lisbon 0%; Locarno 0%; PCT 6%; ICIREPAT 3%; IPC 5%; Berne 9%.



B.22 "Publications Section" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
33%	21%	3%	2%	-	-	5%	3%	3%	28%	2%

Application, in toto, to 476 658.65 francs (2.05% of expenditure):

Standard staff costs	410 569.15
Other miscellaneous costs	14 086.75
Missions*	1 725.30
Printing	21 241.75
Supplies and materials	24 553.85
Other expenses	4 481.85

B.23 "Entire Personnel" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
24%	31%	3%	2%	-	1%	10%	4%	8%	15%	2%

Application, in toto, to 837 526.50 francs (3.61% of expenditure):

Other miscellaneous staff costs	242 294.00
Consultants**	5 832.10
Printing	4 125.70
Rental and maintenance of furniture equipment	59 130.50
Communications and other general operating expenses	358 177.00
Supplies and materials	117 501.65
Acquisition of furniture and equipment	32 044.00
Other expenses	18 421.55

B.24 "Industrial Unions (Printing)" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
54%	8%	4%	2%	-	-	5%	5%	5%	17%	-

Application, in toto, to 301 476.40 francs (1.30% of expenditure):

Printing	241 650.15
Other contractual services	30 077.40
Communications and other general operating expenses	29 748.85

\* UPOV does not share in expenditure for missions. This expenditure is allocated as follows: Paris 34%; Madrid 22%; The Hague 3%; Nice 2%; Lisbon 0%; Locarno 0%; PCT 5%; ICIREPAT 3%; IPC 3%; Berne 28%.

\*\* UPOV does not share in expenditure for consultants. This expenditure is allocated as follows: Paris 25%; Madrid 32%; The Hague 3%; Nice 2%; Lisbon 0%; Locarno 1%; PCT 10%; ICIREPAT 4%; IPC 8%; Berne 15%.

B.25 "Administrative Meetings" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
26%	30%	3%	2%	-	1%	10%	4%	8%	16%	-

Application, in toto, to 79 999.30 francs (0.34% of expenditure):

Conferences	79 929.80
Communications and other general operating expenses	69.50

B.26 "List of Member States" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
27%	10%	6%	6%	6%	6%	3%	6%	3%	27%	-

Application, in toto, to 1 827.45 francs (0.01% of expenditure):

Printing	1 827.45
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B.27 "Surface" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
19%	40%	3%	1%	-	-	13%	4%	6%	12%	2%

Application, in toto, to 2 289 511 francs (9.86% of expenditure):

Standard staff costs	482 768.30
Other miscellaneous staff costs	61 266.25
Missions*	1 096.00
Third-party travel*	1 280.40
Consultants*	25 263.40
Other contractual services	124 295.85
Rental of premises	190 651.50
Maintenance of premises	1 365 989.95
Communications and other general operating expenses*	267.00
Supplies and materials	4 764.15
Acquisition of furniture and equipment	26 374.65
Amortization of loans	4 427.55
Other expenses*	1 066.00

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\* UPOV does not share in expenditure for missions, third-party travel, consultants, communications and other operating expenses, or other expenses. This expenditure is allocated as follows: Paris 20%; Madrid 41%; The Hague 3%; Nice 1%; Lisbon 0%; Locarno 0%; PCT 13%; ICIREPAT 4%; IPC 6%; Berne 12%.

B.28 "Development Cooperation" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
66%	-	-	-	-	-	-	-	-	34%	-

Application, in toto, to 1 442 625.09 francs (6.21% of expenditure)

Standard staff costs	208 773.85
Other miscellaneous staff costs	105 965.65
Missions	238 566.10
Third-party travel	219 594.65
Conferences	194 162.65
Consultants	205 816.10
Printing	23 119.34
Other services under contract	10 810.05
Communications and other general operating expenses	9 266.65
Supplies and materials	2 275.75
Fellowships	224 274.30

B.29 "Development Cooperation and External Relations Division" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
56%	5%	-	1%	-	1%	2%	1%	3%	31%	-

Application, in toto, to 233 112.35 francs (1.00% of expenditure):

Standard staff costs	169 097.--
Other miscellaneous staff costs	3 822.85
Missions	58 065.25
Communications and other general operating expenses	1 123.85
Acquisition of furniture and equipment	1 003.40

B.30 "Mechanization of Trademark Searches" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
50%	50%	-	-	-	-	-	-	-	-	-

Application, in toto, to 369.40 francs (0.00% of expenditure):

Missions	369.40
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B.31 "Copyright and Public Information Department" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
6%	3%	1%	1%	-	1%	1%	1%	2%	84%	-

Application, in toto, to 220 002.45 francs (0.95% of expenditure):

Standard staff costs	217 201.20
Other miscellaneous staff costs	2 801.25

B.32 "WIPO Permanent Committee" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
20%	-	-	-	-	-	20%	20%	40%	-	-

Application, in toto, to 2 337.20 francs (0.01% of expenditure):

Missions	2 337.20
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B.33 "PCT and Patent Information Division" Percentages

Paris	Madrid	The Hague	Nice	Lisbon	Locarno	PCT	ICIREPAT	IPC	Berne	UPOV
6%	1%	-	-	-	-	47%	16%	30%	-	-

Application, in toto, to 2 002 079.50 francs (8.63% of expenditure):

Standard staff costs	1 700 021.20
Other miscellaneous staff costs	217 829.25
Missions	890.00
Consultants	83 339.05

B.34 Printing (other than periodicals)

General Information brochures concerning WIPO (re-editions in English, French German, Spanish, Japanese and Russian)  
(Paris 45%; Madrid 15%; The Hague 2%; Nice 2%; Lisbon 0%; Locarno 2%; PCT 3%; ICIREPAT 0%; IPC 3%; Berne 28%)

	25 790.00
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Management Report 1977  
Paris 14%; Madrid 46%; The Hague 8%; Nice 5%; Lisbon 2%; Locarno 5%; PCT 3%; ICIREPAT 3%; IPC 4%; Berne 10%)

	1 579.25
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Application, in toto, to 27 369.25 francs (0.12% of expenditure)

[Annex C follows]

ANNEX C

REPORT ON AMOUNTS WRITTEN OFF

AMOUNTS WRITTEN OFF

The debit accounts have been audited and verified for 1978. As result, the Director General has authorized the writing off as irrecoverable of amounts owed by debtors who had not responded to several reminders.

The details of the amounts thus written off are as follows:

International marks	1 070.00
Industrial designs	101.40
Publications	619.80
	<hr/>
To this figure of	1 791.20
must be added the entry relating to the fifth instalment of the contributions of Uganda, which are being absorbed by the Paris Union (document AB/V/13, paragraph 72, September 1974)	
	23 655.00
	<hr/>
	25 446.20
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[End of Annex C and of document]