

## **Special Union for the Protection of Appellations of Origin and their International Registration (Lisbon Union)**

### **Assembly**

**Thirty-Second (21<sup>st</sup> Ordinary) Session  
Geneva, October 5 to 14, 2015**

#### **OPTIONS FOR THE FINANCIAL SUSTAINABILITY OF THE LISBON UNION**

*Document prepared by the International Bureau*

1. At its twenty-fourth session (September 14 to 18, 2015), the Program and Budget Committee (PBC) agreed on the following recommendation to the Lisbon Union (see document WO/PBC/24/17, under Agenda Item 10, reproduced in document A/55/4 “Decisions taken by the Program and Budget Committee”):

“3. The PBC noted the options for financial sustainability of the Lisbon Union, as outlined in document WO/PBC/24/16 Rev. and recommended that the Lisbon Union consider, in accordance with the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, options with a view to addressing the financial sustainability of the budget of the Lisbon Union at the upcoming 32<sup>nd</sup> session of the Assembly of the Lisbon Union. The PBC requested the Secretariat to provide appropriate support in this regard.”

2. In this respect, reference is made to document WO/PBC/24/16 Rev. (Options for the Financial Sustainability of the Lisbon Union) reproduced hereunder, to document LI/A/32/2 (Proposal to Update the Fee Schedule Under Rule 23 of the Regulations Under the Lisbon Treaty) and to document LI/A/32/4 (Proposal to Establish a Working Capital Fund for the Lisbon Union).

3. *The Assembly is invited to consider the above-referred recommendation of the Program and Budget Committee.*

[Document WO/PBC/24/16 Rev. follows]

## Program and Budget Committee

### Twenty-Fourth Session Geneva, September 14 to 18, 2015

#### OPTIONS FOR THE FINANCIAL SUSTAINABILITY OF THE LISBON UNION

*Document prepared by the Secretariat*

#### INTRODUCTION

1. At the twenty-third session of the Program and Budget Committee (PBC), held from July 13 to 17, 2015 in Geneva, the PBC completed a comprehensive first reading of the draft proposed Program and Budget for the 2016/17 biennium, Program by Program under each Strategic Goal. Of the 30 Programs, the PBC agreed to the modifications proposed by Member States to program narratives, including the results frameworks in Programs 1, 9, 10, 11, 13, 14, 16, 17, 18, 25, 28 and 30. Three Programs were referred for further consideration to the twenty-fourth session of the PBC, to be held from September 14 to 18, 2015: Program 3, TAG; Program 6, proposal to split Program 6 (Madrid and Lisbon Systems) into two separate programs and reflect this split in all appropriate sections, tables and annexes in the revised draft of the Program and Budget 2016/17; and Program 20, new External Offices including potential reference in paragraph 33 (in the Financial and Results Overview) and WIPO Coordination Office to the United Nations, New York. Furthermore, the PBC took note that various issues raised by some delegations in respect of Program 6 were to be referred to the twenty-fourth session of the PBC, including, *inter alia*, a “[r]equest that the Secretariat conduct a Study on Lisbon’s Financial Sustainability.”<sup>1</sup>

2. Accordingly, a key issue at stake with respect to the Special Union for the Protection of Appellations of Origin and their International Registration (“Lisbon Union”) is the question of its sustainable financing. This issue has attracted significant differences of view and approaches among WIPO Member States. The purpose of the present paper is to present options related to the question of financing in an effort to assist Member States in their deliberations to reach a

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<sup>1</sup> List of Decisions, Program and Budget Committee, twenty-third session, Geneva, July 13 to 17, 2015 (WO/PBC/23/9).

satisfactory agreement on this issue, and thus, to facilitate the passage of the draft proposed Program and Budget for the biennium 2016/17.

## **APPLICABLE LEGAL FRAMEWORK**

### **A. The Lisbon Agreement**

3. The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (as amended on September 28, 1979) ("Lisbon Agreement") provides, in Article 11, the relevant provisions for the financing of the Lisbon Union. According to Article 11(3) of the Lisbon Agreement, the budget of the Lisbon Union shall be financed from the following sources:

- (i) international registration fees collected under Article 7(2) and fees and charges due for other services rendered by the International Bureau in relation to the Special Union;
- (ii) proceeds from the sale of, or royalties on, the publications of the International Bureau concerning the Special Union;
- (iii) gifts, bequests and subventions;
- (iv) rents, interest and other miscellaneous income;
- (v) contributions of the countries of the Special Union, if and to the extent to which receipts from the sources indicated in items (i) to (iv) do not suffice to cover the expenses of the Special Union.

4. In addition, Article 11(7) provides that the Lisbon Union shall have a working capital fund, and Article 11(8)(a) further provides that whenever the working capital fund is insufficient, the country on the territory of which the Organization has its headquarters shall grant advances. Each of these sources, and their potential to contribute to the financial sustainability of the Lisbon Union, will be discussed in greater detail below.

### **B. The Geneva Act of the Lisbon Agreement**

5. The Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (as adopted on May 20, 2015) ("Geneva Act") provides similar, although not identical, provisions related to the sources of financing of the budget of the Lisbon Union in Article 24. According to Article 24(2) of the Geneva Act, the income of the Union shall be derived from the following sources:

- (i) fees collected under Article 7(1) and (2);
- (ii) proceeds from the sale of, or royalties on, the publications of the International Bureau;
- (iii) gifts, bequests, and subventions;
- (iv) rent, investment revenue, and other, including miscellaneous, income;
- (v) special contributions of the Contracting Parties or any alternative source derived from the Contracting Parties or beneficiaries, or both, if and to the extent to which receipts from the sources indicated in items (i) to (iv) do not suffice to cover the expenses, as decided by the Assembly.

6. The Geneva Act also provides for a working capital fund in Article 24(5), as well as for advances by the Host State whenever the working capital fund is insufficient, in Article 24(6)(a). However, as the Geneva Act has not yet entered into force, pending the deposit of instruments of ratification or accession by five eligible parties, the relevant provisions of the Lisbon Agreement govern the question of the financing of the Lisbon Union.

## OPTIONS FOR ACHIEVING FINANCIAL SUSTAINABILITY

### A. Fees

7. Article 11(3)(i) in conjunction with Article 11(4)(b) of the Lisbon Agreement requires that the budget of the Special Union be financed primarily from “international registration fees collected under Article 7(2) and fees and charges due for other services rendered by the International Bureau in relation to the Special Union.” Article 7(2) provides that such fees shall consist of “a single fee...paid for the registration of each appellation of origin” and that registration is not subject to renewal. Further, Article 11(4)(a) provides that the amount of this single fee shall be fixed by the Assembly on the proposal of the Director General, while clarifying, in Article 11(4)(b), that such a fee “shall be so fixed that the revenue of the Special Union should, under normal circumstances, be sufficient to cover the expenses of the International Bureau for maintaining the international registration service, without requiring payment of the contributions [of the countries of the Special Union] referred to in [Article 11(3)(v)].” As the primary means for financing the Lisbon Union, such fees, to date, have clearly proven insufficient to cover the Union’s expenses, which in 2014 amounted to a total of 792,000 Swiss francs.<sup>2</sup>

8. In 2016/17, the expenses related to the Lisbon Union are expected to amount to 1,125,000 Swiss francs per annum. It should be noted that the calculations of expenditure for the Lisbon Union are based on the current methodology on the allocation of expenditure by Unions as described in Annex III of the proposed draft Program and Budget for the biennium 2016/17. In accordance with this methodology, the Lisbon Union does not bear any burden of indirect Union and indirect administrative costs.

9. Over the last five years, the Lisbon System has received 80 (2014), 12 (2013), 9 (2012), 3 (2011), and 6 (2010) applications, respectively. The average number of applications received over the last twenty years was 14 applications per year. Based on the average number of applications received, and the projected annual expenditure figures for 2016/17, if, as envisioned by the Lisbon Agreement, single fees alone had to fund the operations of the Lisbon Union, the international registration fee required would be 80,357 Swiss francs.<sup>3</sup> Based on the forecast of registration activity under the Lisbon System as estimated by the Lisbon Registry,<sup>4</sup> which foresees 20 international applications and 20 modifications per year in 2016/17, the international registration fee required would be 54,750 Swiss francs.<sup>5</sup> At this fee rate, in both scenarios,<sup>6</sup> the System would be at risk of receiving no future applications. In this connection,

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<sup>2</sup> Including IPSAS adjustments.

<sup>3</sup> The calculations are based on the average number of applications received over the past 20 years since the number of other transactions, such as modifications, providing extracts from the International Register, etc. amounts to an average of 2.5 transactions per year.

<sup>4</sup> See document LI/A/32/2.

<sup>5</sup> The calculation is based on the assumption that the new proposed fee schedule by the Lisbon Union Assembly is adopted, bringing the fee for the modification of an international registration to 1,500 Swiss francs. The resulting revenue for modifications would be 30,000 Swiss francs per year in 2016/17.

<sup>6</sup> The calculation of the international registration fees required under both scenarios does not take into account the share of “Other Income” attributed to the Lisbon Union as per the methodology on the allocation of income by Unions described in Annex III of the proposed draft Program and Budget 2016/17. Were this share of “Other Income” to be taken into account, the international registration fees required would be 55,464 Swiss francs and 37,325 Swiss francs respectively.

and pursuant to the provision of Article 11(4)(a), reference is made to a “Proposal to Update the Fee Schedule under Rule 23 of the Regulations under the Lisbon Agreement,”<sup>7</sup> prepared by the Secretariat, to be submitted to the Lisbon Union Assembly at its Thirty-Second (21st Ordinary) Session in Geneva, from October 5 to 14, 2015. This proposal would effectively increase the fees. The proposed new fee structure, however, would continue to result in a short fall of the revenue required to cover the expenses of the Lisbon Union. The projected annual deficit in 2016/17 would amount to approximately 700,000 Swiss francs.<sup>8</sup>

10. On the basis of these calculations, fees alone are not sufficient to ensure the financial sustainability of the Lisbon Union. Additional sources of financing for the Lisbon Union are set forth below for the consideration of Member States.

## **B. Contributions**

11. The Lisbon Agreement also provides for the collection of contributions from the countries of the Lisbon Union as an additional source of financing, “if and to the extent to which receipts from the sources indicated in items (i) to (iv) do not suffice to cover the expenses of the Special Union” (Article 11(3)(v)).

12. Article 11(5), paragraphs (a) and (b), of the Lisbon Agreement further specify the basis upon which such contributions should be assessed:

(a) For the purpose of establishing its contribution referred to in paragraph (3)(v), each country of the Special Union shall belong to the same class as it belongs to in the Paris Union for the Protection of Industrial Property, and shall pay its annual contributions on the basis of the same number of units as is fixed for that class in that Union.

(b) The annual contribution of each country of the Special Union shall be an amount in the same proportion to the total sum to be contributed to the annual budget of the Special Union by all countries as the number of the units of the class to which it belongs is to the total of the units of all contributing countries.

13. Receipts from the sources identified in items (i) to (iv), namely, international registration fees, proceeds from the sale of publications, gifts/bequests, and rents, interest and other miscellaneous income, indeed “do not suffice to cover the expenses of the Special Union” (as *per* paragraphs 7-10 above), which would trigger the collection of contributions under the Lisbon Agreement. In a document prepared for the meeting of the Lisbon Union Assembly in October 1976, entitled “Due Date of Contributions; Working Capital Funds; Advances” (AB/VII/6), the Assembly took decisions as proposed regarding, *inter alia*, the establishment of a system of contributions.<sup>9</sup> The proposal reads, in relevant part:

“11. *Madrid, Hague and Lisbon Agreements.* These Agreements do not refer to *yearly* contributions, so that there is no need to fix due dates for them. The Stockholm Act of the Lisbon Agreement refers to contributions payable by member countries if other sources of revenue of the Lisbon Union do not suffice to cover its expenses (see Lisbon (Stockholm) Agreement, Article 11(3)(v)), and the Financial Regulations applicable, *inter alia*, to the Madrid, Hague and Lisbon Unions provide that if the accounts of any of the Services of these Unions “show a deficit, not coverable out of reserve funds, *the member States or the representative body, if any, of that (i.e., Madrid, Hague or Lisbon)*”

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<sup>7</sup>See document LI/A/32/2.

<sup>8</sup>Based on the projected total income and expenditure for the Lisbon Union for 2016/17, including the Union’s share of “Other Income” as per the methodology on the allocation of income by Unions described in Annex III of the proposed draft Program and Budget 2016/17.

<sup>9</sup>For the decisions, see document AB/VII/23, paragraphs 294 and 303.

*Agreement shall propose a plan to redress the financial situation either by an increase of the fees, or by the introduction of a system of contributions by States”* (Regulation 8.2(ii)). Consequently, the Director General will, if and when *ad hoc* contributions are fixed in the Madrid, Hague or Lisbon Unions, propose the due dates for their payment to be fixed by the representative bodies of such Unions.” (emphasis added).

14. Notwithstanding the relevant provisions of the Lisbon Agreement (as well as analogous provisions in the constituent treaties of the Organization and the Unions administered by the Organization), however, current WIPO practice with respect to Member State contributions departs from that required by the treaty text, as well as that reflected in the decision above to redress the financial situation of the Lisbon Union. In 1993, the WIPO Conference and the Assemblies of the Paris and Berne Unions adopted the unitary contribution system to replace the multiple contribution system provided for in the WIPO Convention and the relevant treaties administered by WIPO. The System was first adopted on a provisional basis on the understanding that, if the experience in the following two biennia (1994 – 1997) proved to be satisfactory, the treaties in question would be amended accordingly. In 2002, the WIPO Assemblies adopted, *inter alia*, a recommendation concerning “the formalization in the treaties of the unitary contribution system and the changes in contribution classes that have been practiced since 1994.”<sup>10</sup> In 2003, the WIPO Assemblies subsequently adopted the proposed amendments to the WIPO Convention, and to the other WIPO administered treaties, including the Lisbon Agreement.<sup>11</sup> To date, 15 WIPO Member States have formally accepted the proposed amendments, which will enter into force one month after written notifications of acceptance have been received by the Director General from three-fourths of the Member States of WIPO, in accordance with the relevant provisions of the WIPO-administered treaties. Nevertheless, while the amendments have not yet entered into force, the unitary contribution system has been in practice since 1994.

15. In presenting the system in 1993, the Director General provided a rationale for its adoption, the justification of which continues to apply today: The unitary contribution system was established in order to “make the administration of contributions simpler,” create an “incentive for States members of less than all the Contribution-financed Unions to become members of those such Unions,” and correct the past system which was “not equitable *vis-à-vis* most of the developing countries” that did not traditionally have the resources to join all Unions.<sup>12</sup>

16. Were Member States to agree to invoke the Lisbon Agreement’s provisions to assess and collect contributions, it is important to note the distinction between “contributions of the countries of the [Lisbon] Union” under Article 11(3)(v) of the Lisbon Agreement and the unitary contribution system currently in place. It should be recalled that under the unitary contribution system, each State party to more than one of the WIPO Convention and the treaties administered by WIPO<sup>13</sup> pays only a single contribution, regardless of the number of such treaties to which it is party, instead of paying separate contributions in respect of each (contribution financed) treaty to which it is party. As the Lisbon Union is not a contribution financed Union, but rather a fee-financed Union, Member States would therefore need to be

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<sup>10</sup> Assemblies of the Member States of WIPO, Final Texts of Proposed Amendments to the Convention Establishing the World Intellectual Property Organization, Thirty-Ninth Series of Meetings, Geneva, September 22 to October 1, 2003 (A/39/2).

<sup>11</sup> Assemblies of the Member States of WIPO, Thirty-Ninth Series of Meetings, Geneva, September 22 to October 1, 2003 General Report (A/39/15).

<sup>12</sup> See Unitary Contribution System for the Six Contribution-Financed Unions and Alignment of the Contributions of Non-Union States, Memorandum of the Director General, Governing Bodies of WIPO and the Unions Administered by WIPO, Twenty-Fourth Series of Meetings, Geneva, September 20 to 29, 1993 (AB/XXIV/5).

<sup>13</sup> In addition to the WIPO Convention, there are six current contribution financed treaties: the Paris Convention, the Berne Convention, the Strasbourg Agreement, the Nice Agreement, the Locarno Agreement, and the Vienna Agreement.

aware that the assessment and collection of contributions from Lisbon Union members under Article 11 is an issue separate from and unrelated to contributions assessed under the unitary contribution system.

17. It is also important to note the change that Lisbon Union Members have adopted for the system of contributions under the Geneva Act, which informs the consideration of this issue and the basis on which such contributions should be assessed (and, indeed, *will* be assessed once the Geneva Act enters into force). First, Article 24(2)(v) of the Geneva Act revised the comparable provision of the Lisbon Agreement (Article 11(3)(v)) to include “*special contributions of the Contracting Parties or any alternative source derived from the Contracting Parties or beneficiaries, or both, if and to the extent to which receipts from the sources indicated in items (i) to (iv) do not suffice to cover the expenses, as decided by the Assembly*” (emphasis added). Second, Article 24(4) of the Geneva Act introduces a new concept of “partially weighted” special contributions, according to the number of registrations originating per Contracting Party:

(4) [*Establishing the Special Contributions Referred to in Paragraph (2)(v)*] For the purpose of establishing its contribution, each Contracting Party shall belong to the same class as it belongs to in the context of the Paris Convention or, if it is not a Contracting Party of the Paris Convention, as it would belong to if it were a Contracting Party of the Paris Convention. Intergovernmental organizations shall be considered to belong to contribution class I (one), unless otherwise unanimously decided by the Assembly. The contribution shall be partially weighted according to the number of registrations originating in the Contracting Party, as decided by the Assembly.

18. If contribution-based financing were to be agreed for the Lisbon Union, Member States would therefore need to agree on the precise methodology to use to assess these contributions. During debate on this provision at the Diplomatic Conference for the Adoption of a New Act of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, the Secretariat provided preliminary proportionality simulations for Lisbon Union Contribution Fees on the basis of both methodologies: (1) the Lisbon Agreement’s provision for Member States’ contributions according to the class system; and (2) the Geneva Act’s provision for contributions on the basis of registrations in force by country of origin. These simulations are attached as an Annex.

19. In view of the projected annual deficit of the Lisbon Union in 2016/17 such contributions would need to cover a deficit of approximately 700,000 Swiss francs per year in 2016/17.<sup>14</sup>

### **C. Working Capital Fund**

20. The Lisbon Agreement also directs, in Article 11(7), the establishment of a working capital fund intended to cover any deficit in the operating expenses of the Lisbon Union. Article 11(7) provides that:

(a) The Special Union shall have a working capital fund which shall be constituted by a single payment made by each country of the Special Union. If the fund becomes insufficient, the Assembly shall decide to increase it.

(b) The amount of the initial payment of each country to the said fund or of its participation in the increase thereof shall be a proportion of the contribution of that country as a member of the Paris Union for the Protection of Industrial Property to the budget of

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<sup>14</sup> Based on the projected total income and expenditure for the Lisbon Union for 2016/17, including the Union’s share of “Other Income” as per the methodology on the allocation of income by Unions described in Annex III of the proposed draft Program and Budget 2016/17, and assuming adoption of the new proposed fee schedule by the Lisbon Union Assembly.



the said Union for the year in which the fund is established or the decision to increase it is made.

(c) The proportion and the terms of payment shall be fixed by the Assembly on the proposal of the Director General and after it has heard the advice of the Coordination Committee of the Organization.

21. A working capital fund is designed to finance operations in the absence of sufficient revenue, including covering for delays in receipt of contributions. It is therefore, by its nature, intended to be a temporary solution, until such time as a more permanent, sustainable solution is reached through fees or contributions, or a combination thereof. Contributions to the working capital fund, which remain owed to the Member States, could then be repayable if revenues become sufficient to finance operations depending on the specific terms of the agreement establishing the working capital fund. Working capital funds for the PCT Union, the Madrid Union and the Hague Union were established in 1983, 1979 and 1978 respectively. The working capital fund for the PCT Union is proposed to be returned to Member States of the PCT Union through deductions from contribution invoices in the 2016/17 biennium.<sup>15</sup>

22. With respect to the Lisbon Union, during the same October 1976 meeting of the Lisbon Union Assembly at which discussion of and decision regarding contributions took place, the Assembly also reflected on the creation of a working capital fund. On this issue, the Assembly took action, as proposed, in the document on “Due Date of Contributions; Working Capital Funds; Advances” (AB/VII/6), which reads in relevant part:<sup>16</sup>

“28. *Lisbon Union.* The Stockholm Act of the Lisbon Agreement provides, in Article 11(7), for the creation of a working capital fund. Since, however, the yearly budget of this Union is insignificant (around 8,000 francs in 1976), the creation of a working capital fund would be more of a nuisance than it would be worth, and the Director General intends to come back to this matter only if and when the budget of this Union considerably increases.

“29. It is therefore proposed that the consideration of the constitution of a working capital fund for the Lisbon Union be postponed *sine die.*”

23. In view of the projected annual deficit of the Lisbon Union in 2016/17 amounting to approximately 700,000 Swiss francs in 2016/17<sup>17</sup>, the Director General is at this time prepared to submit a proposal to the Lisbon Union Assembly for the establishment of a Lisbon Union working capital fund, on which it will hear the advice of the Coordination Committee.

#### **D. Advances by the Host State**

24. Related to the working capital fund, the Lisbon Agreement provides for an additional source of financing should the fund be insufficient to cover the expenses of the Lisbon Union, namely, advances granted by the Host State, Switzerland. Article 11(8) of the Lisbon Agreement provides in relevant part that:

(a) In the headquarters agreement concluded with the country on the territory of which the Organization has its headquarters, it shall be provided that, whenever the working capital fund is insufficient, such country shall grant advances. The amount of those advances and the conditions on which they are granted shall be the subject of separate agreements, in each case, between such country and the Organization.

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<sup>15</sup> WO/PBC/23/9.

<sup>16</sup> For the decisions, see document AB/VII/23, paragraphs 294 and 303.

<sup>17</sup> Based on the projected total income and expenditure for the Lisbon Union for 2016/17, including the Union's share of “Other Income” as per the methodology on the allocation of income by Unions described in Annex III of the proposed draft Program and Budget 2016/17, and assuming adoption of the new proposed fee schedule by the Lisbon Union Assembly.

(b) The country referred to in subparagraph (a) and the Organization shall each have the right to denounce the obligation to grant advances, by written notification. Denunciation shall take effect three years after the end of the year in which it has been notified.

25. Accordingly, Article 10 of the Agreement between the Swiss Federal Council and the World Intellectual Property Organization to Determine the Legal Status in Switzerland of that Organization (1970) ("Headquarters Agreement") on Advances of Funds by Switzerland provides that:

- (1) Switzerland shall grant advances to the Organization if the working capital fund of the latter or that of any of the Unions is insufficient. The amount of these advances and the conditions on which they are granted shall be the subject of separate agreements, in each case, between Switzerland and the Organization.
- (2) As long as it remains under the obligation to grant advances, Switzerland shall have an *ex officio* seat on the Coordination Committee and on the Executive Committees of the Unions.
- (3) Switzerland and the Organization shall each have the right to denounce the obligation to grant advances, by written notification. Denunciation shall take effect three years after the end of the year in which it has been notified.<sup>18</sup>

26. The Lisbon Agreement's provision to obtain advances from Switzerland has not, to date, been invoked.

## **E. Other Sources of Financing**

27. Finally, the other sources of financing indicated in Article 11(3) of the Lisbon Agreement, relate to (ii) proceeds from the sale of, or royalties on, the publications of the International Bureau; (iii) gifts, bequests, and subventions; and (iv) rent, investment revenue, and other, including miscellaneous, income. It should be noted that in respect of subparagraphs (ii) and (iv), part of the Organization's miscellaneous income, excluding the rental income from the Madrid building in Meyrin, is attributed to the Lisbon Union in accordance with the methodology on the allocation of income by Unions.<sup>19</sup> The remaining relevant option is found in subparagraph (iii), gifts, bequests, and subventions. Absent the voluntary donation of such gifts from Member States or private entities/individuals, the International Bureau would need to undertake concerted efforts to solicit these gifts, further increasing operational costs for the Lisbon Union. While this remains an available option under the Lisbon Agreement, any meaningful financing of the Special Union budget through gifts, bequests, and subventions would seem unlikely.

## **CONCLUSION**

28. Notwithstanding the divergent positions of Member States on the sources and methodologies of the financing of the Lisbon Union, the Lisbon Agreement provides the governing and legally binding framework through which to do so. As international registration fees alone remain insufficient to cover the operating expenses of the Lisbon Union, Member States will have to consider whether to pursue increased fees, annual contributions, a working capital fund, advances from the Host State, and/or other sources of financing, or a combination thereof to provide for its long-term financial sustainability.

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<sup>18</sup> Headquarters Agreement, Report by the Director General to the World Intellectual Property Organization Coordination Committee, Second Ordinary Session, Geneva, September 27 to October 2, 1971 (WO/CC/II/3).

<sup>19</sup> Described in Annex III of the proposed draft Program and Budget for the biennium 2016/17.

*29. The Program and Budget  
Committee (PBC) is invited to consider  
the contents of document  
WO/PBC/24/16 Rev.*

[Annex follows]

**PRELIMINARY PROPORTIONALITY SIMULATION FOR LISBON UNION  
CONTRIBUTION FEES - BASED ON MEMBER STATES' CONTRIBUTION CLASSES**  
(Assuming contributions are required to cover a deficit of 100,000 Swiss francs)

**Contribution Fee**  
(in Swiss francs)

<b>Country</b>	<b>Class</b>	<b>Units/Weight</b>	<b>Amount</b>
Algeria	IX	0.25	347
Bosnia and Herzegovina	Sbis	0.0625	87
Bulgaria	VIbis	2	2,774
Burkina Faso	Ster	0.03125	43
Congo	Sbis	0.0625	87
Costa Rica	S	0.125	173
Cuba	S	0.125	173
Czech Republic	VI	3	4,161
Democratic People's Republic of Korea	Sbis	0.0625	87
France	I	25	34,677
Gabon	S	0.125	173
Georgia	IX	0.25	347
Haiti	Ster	0.03125	43
Hungary	VI	3	4,161
Iran (Islamic Republic of)	VII	1	1,387
Israel	VIbis	2	2,774
Italy	III	15	20,806
Mexico	IVbis	7.5	10,403
Montenegro	IX	0.25	347
Nicaragua	Sbis	0.0625	87
Peru	IX	0.25	347
Portugal	IVbis	7.5	10,403
Republic of Moldova	IX	0.25	347
Serbia	VIII	0.5	694
Slovakia	VI	3	4,161
The former Yugoslav Republic of Macedonia	VIII	0.5	694
Togo	Ster	0.03125	43
Tunisia	S	0.125	173
<b>Total Contributions</b>			<b>100,000</b>
	total count	<b>28</b>	
	total units	<b>72.09375</b>	

**PRELIMINARY PROPORTIONALITY SIMULATION FOR LISBON UNION  
CONTRIBUTION FEE - BASED ON REGISTRATIONS IN FORCE BY COUNTRY OF ORIGIN**  
(Assuming contributions are required to cover a deficit of 100,000 Swiss francs)

<i>Contribution Fee</i> (in Swiss francs)		
<b>Country</b>	<b>Units/Weight</b>	<b>Amount</b>
Algeria	7	781
Bosnia and Herzegovina	0	-
Bulgaria	51	5,692
Burkina Faso	0	-
Congo	0	-
Costa Rica	1	112
Cuba	19	2,121
Czech Republic	76	8,482
Democratic People's Republic of Korea	6	670
France	509	56,808
Gabon	0	-
Georgia	28	3,125
Haiti	0	-
Hungary	28	3,125
Iran (Islamic Republic of)	16	1,786
Israel	1	112
Italy	101	11,272
Mexico	14	1,563
Montenegro	2	223
Nicaragua	0	-
Peru	8	893
Portugal	7	781
Republic of Moldova	1	112
Serbia	3	335
Slovakia	7	781
The former Yugoslav Republic of Macedonia	4	446
Togo	0	-
Tunisia	7	781
<b>Total Contributions</b>		<b>100,000</b>
total count	<b>28</b>	
total units	<b>896</b>	

[End of Annex and of document]