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Program and Budget Committee

Twenty-Ninth Session
Geneva, May 6 to 10, 2019

DRAFT REPORT

prepared by the Secretariat¹

¹ Delegations represented at the session are invited to submit their comments, if any, to controller.mail@wipo.int by August 16, 2019.

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1. The 29th session of the WIPO Program and Budget Committee (PBC) was held at the Headquarters of WIPO from May 6 to 10, 2019.
2. From October 2017 to October 2019, the Committee is being composed of the following Member States: Algeria, Angola, Argentina, Azerbaijan, Bangladesh, Brazil, Bulgaria, Cameroon, Canada, Chile, China, Colombia (2019), Costa Rica (2018), Czech Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, France, Gabon, Germany, Greece, Guatemala, Hungary, India, Iran (Islamic Republic of), Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Malaysia, Mexico, Morocco, Nigeria, Oman, Panama, Republic of Korea, Romania, Russian Federation, Singapore, South Africa, Spain, Sweden, Switzerland (*ex officio*), Tajikistan, Thailand, Turkey, Uganda, United Arab Emirates, United Kingdom, United States of America (53).
3. Members of the Committee represented at this session were: Algeria, Argentina, Brazil, Canada, China, Czech Republic, Ecuador, El Salvador, France, Germany, Guatemala, Hungary, India, Iran (Islamic Republic of), Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Malaysia, Mexico, Oman, Republic of Korea, Romania, Russian Federation, Singapore, Spain, Sweden, Switzerland (*ex officio*), Tajikistan, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States of America (37).
4. In addition, the following States, members of WIPO but not members of the Committee, were represented as observers: Afghanistan, Australia, Bahamas, Belgium, Bolivia (Plurinational State of), Burundi, Croatia, Djibouti, Finland, Ghana, Honduras, Cook Islands, Indonesia, Iraq, Israel, Jamaica, Kenya, Kuwait, Malta, Myanmar, Namibia, Nepal, Nicaragua, Pakistan, Netherlands, Peru, Poland, Portugal, Republic of Moldova, Holy See, Senegal, Tunisia, Trinidad and Tobago, Ukraine, Viet Nam, Yemen (36).

ITEM 1 OPENING OF THE SESSION

5. The Chair opened the twenty-ninth session of the Program and Budget Committee indicating that he hoped for a productive week of discussions in the week of work ahead, and invited the Director General to present his initial comments.
6. The Director General welcomed everyone to the twenty-ninth session of the Program and Budget Committee and thanked the Chair for his hard work over the last 12 months in particular, and for the assistance he had provided in the preparation of the Draft Program and Budget for the biennium 2020/21. The Director General wished to divide his remarks into three parts, firstly giving the highlights of the results for the year 2018, the first year of the current biennium, then a few brief remarks on progress made so far in 2019 and the outlook for the rest of 2019, the second year of that the current biennium. Secondly, the Director General explained that he would turn to the Draft Program and Budget for 2020/21, adding that 2018/19 provided the context for the proposals being made for the new biennium 2020/21. The Director General would then briefly touch upon some of the financial and main programmatic elements, but only the highlights of these, followed by some management features. Finally, he would speak about certain financial management and accountability aspects before the Committee. The Director General specified that his remarks would necessarily be brief in respect of any individual item given the number of items on the agenda. Beginning with the results for 2018, which were well known to all present, the Director General explained that the Organization was experiencing an intensification in the demand for its services. This concerned all services, whether they were in the Organization's global IP systems, or the development services that the Organization provided. This could also be seen from the engagement of the Members States such as during the previous year in 2018, which had been a record year for accessions to the treaties administered by the Organization, with some 46 accessions to the treaties. This trend continued in the present year at a similar, or even higher rhythm, which was a very positive

sign and which resulted, in as far as the Organization's global IP systems were concerned, in records all around. There were 253,000 international applications under the PCT, a good growth rate on the preceding year, and one per cent higher than budgeted. In the Madrid System, there had been a considerable growth rate of over seven per cent, about 61,000 international applications, which was a higher level by five per cent than the budgeted figure. In the Hague System, the level of registrations was lower than the budgeted figure but this system was very much one that was still in formation and less mature than the other systems. In the Arbitration and Mediation Center, there was an extremely good demand, both for Internet Domain Name Dispute Resolution services and general Arbitration and Mediation services. The Director General went on to say that all of this activity and intensification in the demand had resulted in a very positive financial picture for the Organization. There was an overall surplus of 42.5 million Swiss francs for the first year of the biennium, in 2018. The net assets of the Organization at December 31, 2018, stood at 261 million Swiss francs. The Director General said that he would not go into the various details of the income and expenditure, as these were available to everyone, but wished to note that personnel expenditure, which was a constant source of concern for Member States, stood at 58.7 per cent, which was a very good figure. For 2019, the second year of that biennium, all the indications so far were similar to those for 2018. The Organization was on track for 2019, there was a continuation of the positive demand for the services of the Organization and the accession rate to the treaties was another indicator of this. The Director General said that the projection, which was a projection and, as such, rather a dangerous thing to make, in particular, in the volatile economic atmosphere affecting the world economy at that time, was of an overall surplus of approximately 80 million Swiss francs for the biennium 2018/19 if there were no major shocks from outside. This, added the Director General, provided a positive context for the Draft Program and Budget 2020/21 which was what members would be considering. Looking briefly at the proposals that were being made for the consideration of members in 2020/21, it was estimated that the income of the Organization would rise by some 7.1 per cent. Estimations of income were based on an analysis made by the Chief Economist and his Office and these were based on estimations for the growth of the world economy given, in particular, by the International Monetary Fund. They were also based on historical data of the ten major filing offices as this provided the basis to what would become international patent applications, since one would normally file for PCT applications at the national level and, thereafter, within 12 months, at the international level. Historical data was, therefore, very important in providing an indication of what was coming through the pipeline. The estimated rise in income for 2020/21 was about 7.1 per cent which would result in income of nearly 900 million Swiss francs (888 million Swiss francs) for the biennium. This was based on the base case, that was to say that the Chief Economist's Office prepared a higher case and a lower case, and the figures were based on a conservative approach of the lower case for the estimations. While a rise of 7.1 per cent was expected, it was proposed to contain the increase in expenditure to 3.7 per cent which was a much lower figure; some 753 million Swiss francs. Some notable features included the containment of expenditure and an overall surplus of 116 million Swiss francs in the next biennium 2020/21. The Director General pointed out that no new posts were being proposed for the fourth consecutive biennium. There had been four new posts created in recent months, they were the consequence of the application of the flexibility formula in the Madrid System. The Director General recalled the flexibility formula whereby if the level of demand exceeded the budgeted level by a certain margin there was scope to create a new post. Otherwise, no new posts were being proposed for 2020/21. Similarly, there were no fee increases for 2020/21. Concerning the personnel share of expenditure, a decrease from 63 per cent to 61 per cent had been budgeted so there were certain parameters built in to the draft proposal to address concerns that Member States had consistently voiced with respect to various items. Turning to the program items and away from the financials, the Director General said he would not go into a great amount of detail but wished to emphasize a couple of points. First of all, the global systems remained of

paramount importance to the Organization, they provided 93 per cent of the revenue of the Organization, representing the core activity of the Organization without which nothing else could be achieved. The focus here was to concentrate on the improvement of the information technology environment in which each of the systems operated in order to continue to improve the geographical reach of the systems. There had been some very positive news in this regard with the accessions to the treaties in recent years. Costs had been contained and so there were no fee increases. Productivity had been improved which was largely, but not exclusively, a consequence of the investments that had been made in the information technology environments for those systems. From a program point of view, a continued demand and expansion for the PCT system was expected. There were 152 contracting parties covering a large part of the countries that constituted the world GDP. In the case of Madrid, an acceleration in the rhythm of accessions and the number of countries covered by contracting parties had been observed. The Hague System was a less mature system, but improving. In the course of the upcoming biennium, it was expected that the Geneva Act of the Lisbon Agreement would enter into force if it had not already done so. This was another global system which would have a major impact on the operations of the Organization; a small impact in terms of finances, but a more major impact in terms of coverage and subject matter. The Director General went on to explain that the introduction of a new service, a digital time stamping service, was being proposed. Many delegations had expressed an interest in this service which was not a registry but the opposite of a registry in certain senses because a registry was an open, transparent record. A digital time stamp was not an open record until the person who had deposited the object in respect of which there was an evidence of a deposit chose to make it public. Therefore, it was not a registry, also because it did not create property rights. Each of the Organization's services, PCT, Madrid and the Hague, were parts of a process that created property rights. A digital time stamp service was intended to provide an indefatigable record of the existence of a digital object, so it was only evidentiary, an endeavor to respond to what was perceived based on the expert advice of those involved in a given area in response to what was happening in the digital economy. In the digital economy, with respect to data, there were key elements or components and there were many concerns about security and about integrity. The digital time stamping service simply provided a record of the existence of a set of data, a digital object, at a specific period in time. This could be important for creators such as the composer of a song who was concerned that others might be acquiring the song or using the song. It simply created a record that this person deposited on that date, which could be extremely useful in litigation, or in the assertion of the existence of the song at a prior date than when it was used by someone else. It could be similarly used for the plot of a novel, for a literary work in process, and it could be used for the existence of a set or sets of scientific data being developed in the course of experimentation or innovation, so there were services that existed around the world. The Director General said that he would come back to this with additional information, questions and answers. In the case of the Organization's development services, the Director General wished to emphasize that a rich menu was now available to Member States in terms of capacity building for an appropriate innovation ecosystem or creative industries ecosystem based on Intellectual Property. This included an extensive set of IT systems and tools to offer Member States, ranging from office automation systems to collective management systems, the technology and innovation support centers, and so forth. Legislative and administrative institutional advice was available, as was human capacity building through the academy, global partnerships such as the Accessible Books Consortium, or WIPO Re:Search. This was quite a rich menu and a major element of the program of development services as proposed for 2020/21. As a third point in the program, the Director General emphasized the importance of the continuous digital transformation of the Organization. That was something that affected absolutely everything. The construction of an integrated set of data could serve the Organization's management systems for the benefit of managers, oversight bodies and all Member States. This also affected all service delivery in every way; not just the global systems but also all of the service delivery of the

development services. The Director General wished to develop two last points. First, in connection with the services provided with respect to the judicial administration of Intellectual Property, the Director General stated that the response to having this as an item once again in the upcoming biennium had been extremely enthusiastic. Lastly, the Director General informed that there was some difficulty in progressing with the development of new rules in the multilateral framework for Intellectual Property. Whilst discussions across all of the committees in which the Member States participated had been very constructive, there had been some difficulty in crossing the finishing line in quite a significant number of areas. This, of course, was of major concern for an international organization dealing with a subject matter that moved extremely quickly. The normative agenda was a preeminently Member State business and, as such, it was up to Member States to do what they wished to do in this area. The Director General wished to signal two points of interest in this respect. First, there was the point related to the whole focus which existed around Artificial Intelligence. On this subject, a patent landscape report and scientific publication report had been issued earlier that year and had been very favorably received as providing an empirical basis for the many discussions that were taking place in different areas with respect to Artificial Intelligence. There was an attempt, as an international community, to formulate the different issues that crossed a wide range of territories such as integrity, data, security, property, competition or property law. It was hoped that a conversation around these issues would be initiated in the course of that year and a meeting would be held just before the coming Assemblies. These areas would be a focus of attention in the upcoming biennium. No rule making activity was being proposed, but rather a broader international exchange of information in this seemingly fundamentally important area so that everybody could better understand what the questions that needed to be formulated in this area were. Second, there was the protection of trade secrets or the protection of confidential information concerning which there had been a lot of activity at the national level. This, again, was part of the program of the biennium in progress since an international conference on this subject matter was planned in November of that year. Speaking of the surplus, the Director General said that there had been an overall surplus of 42.5 million Swiss francs the previous year. The projection was for an overall surplus of about 80 million Swiss francs for the whole biennium. The proposal in the budget put to Member States was an overall surplus 116 million Swiss francs in the forthcoming biennium. These were reasonably large figures and the Director General went on to emphasize three points about the surplus and why it was important. First, there were extremely heavy investments being made by the Organization. These needed to continue to ensure the competitive nature of the Organization's global systems which formed the basis of its income generation. There were a lot of programs in the IT area, and some of these were set out in the Director General's foreword. For example, there was the creation of a global IP portal to give a uniform customer experience across the various services in the Organization. There was also the migration of many, but not necessarily all, of the systems to the cloud on a gradual and experiential basis, investments in the resilience and security of the system, and the further development of databases as well as the development of Artificial Intelligence tools for the efficient administration of a growing volume of Intellectual Property applications worldwide. This latter point concerned two major instances: translation using a service based on neural network; and image searching for trademarks and, eventually, designs. In terms of the financial model, a Capital Master Plan in respect of which Member States were regularly updated, was proposed. This year, the Capital Master Plan would be put to Member States in the July session of the Program and Budget Committee. The Capital Master Plan dealt essentially with information technology investments of a capital nature, the maintenance of buildings and the campus. It was financed from the surplus, through the reserves. The surplus at the end of a given financial period became part of the reserves and the Capital Master Plan was financed from these reserves. This was very important and justified the need for healthy reserves for the Organization. The second reason why the reserves and a healthy level of surplus were important was, of course, to deal with the long-term liabilities, mainly related to the personnel of the Organization. In this respect, a

paper to propose the increase of the level of funding of the After Service Health Insurance from the current level of just over 30 per cent to 50 per cent was being proposed. Third, the classic reason for having reserves was, of course, to deal with downturns of an unexpected nature which could affect income levels. The Organization was very exposed to changes in demand and turbulences in the world economy, this had been very apparent in 2008/09. Reserves were also needed since the basis of financing of the Organization was its services rather than Member State contributions, which stood at about 4.1 per cent. Lastly, the Director General said that oversight, that is, the reports of the various oversight bodies, would be on the July agenda of the PBC, adding that the only part of oversight on the agenda of the current meeting was an update on the selection of the two new members of the Independent Advisory Oversight Committee, the IAOC. The Director General then turned to the netting pilot scheme saying that through the cooperation of Member States, great progress with the scheme within the PCT had been made. The PCT system as a system not only involved the flow of data amongst various participants, namely the receiving offices, the International Bureau, the designated offices and the international authorities, but it involved financial flows, and those financial flows were vulnerable to currency fluctuations. The aim of the netting scheme was to encourage cooperation amongst the Member States to reduce exposure to currency fluctuations and, thereby, result in a more efficient system. There were also documents on the Accountability Framework and on the Organization's Risk Appetite Statement for discussion. The Director General thanked the Chair for the opportunity to say a few words, stressing the importance of the Draft Proposed Program and Budget 2020/21 document for the future of the Organization.

ITEM 2 ADOPTION OF THE AGENDA

7. Discussions were based on document WO/PBC/29/1 Prov.2.

The Chair introduced the draft agenda and explained that in order to facilitate the Program and Budget Committee's discussions, the agenda items in the document had been grouped into four different segments, namely Audit and Oversight, Performance and Financial Review, Planning and Budgeting, and Proposals. The Chair opened the floor for remarks. Seeing as there were none, the draft agenda was adopted.

8. The Program and Budget Committee (PBC) adopted the agenda (document WO/PBC/29/1 Prov.2).

9. In introducing the tentative timetable, the Chair announced that the tentative agenda item proposed an allocation of time in the most judicious manner possible. The proposed timetable followed the order of the items on the agenda. The Chair indicated that, if the examination of an agenda item was concluded before the time allotted, then the discussion on the next subject would be brought forward with the exception of the first reading of the Draft Proposed Program and Budget for the 2020/21 biennium, which would not begin before Tuesday at 10 a.m. The Chair also announced that if the discussion on a specific item was not concluded in the assigned time, the following agenda item would be taken up and any outstanding discussions would be resumed at a later stage. In the interest of efficiency, the Chair encouraged General Statements to be made by Regional Coordinators only. The Chair added that all Members and Observers would have the opportunity to make interventions under each agenda item during the course of the meeting. Morning sessions would start at 10 a.m. until 1 p.m. and would resume at 3 p.m. The Chair opened the floor to general statements by Regional Coordinators' Groups.

10. The Delegation of Indonesia, speaking on behalf of the Asia and the Pacific Group (APG), expressed its satisfaction at seeing the Chair and the Vice-Chairs guiding the Committee and felt confident that constructive conclusions would be reached under their leadership. The Group thanked the Secretariat for the preparation of the meeting and all the

relevant documents. On Audit and Oversight matters, the Group looked forward to hearing about the progress report by the Selection Panel in the process of the selection of two new members as part of the WIPO Independent Advisory Oversight Committee. Turning to the matter of Performance and Financial Review, the Group took note of the Preliminary Overview of WIPO's Financial and Programmatic Performance in 2018, document WO/PBC/29/INF/1, while noting the generally positive financial and programmatic performance of the Organization for the 2018. The Group looked forward to the presentation of the stated document. It also noted the Update on the Netting Pilot as reflected in WO/PBC/29/INF/2, noting that the aims of the netting structure were to reduce exposure to movements in currency exchange rates of income for the International Bureau and to reduce costs and efforts for ROs and ISAs in handling fees. The Group looked forward to the update on the pilot project for netting of fees which began in 2018 with a number of ROs and ISAs. The Group also thanked the Secretariat for having prepared the Draft Proposed Program and Budget for the 2020/21 biennium, document WO/PBC/29/3. The Group was delighted to learn that, despite the projected revenue growth estimates of the Organization in the 2020/21 biennium, increases in expenditure were limited to 3.7 per cent. The Group also noted that, based on the excellent financial performance of WIPO, there was a proposal to increase the Organization's reserves target to 25 per cent of biennial expenditure. It looked forward to hearing more about this proposal. The Group and its members were ready to engage constructively in the deliberations on the Draft Proposed Program and Budget that week. The Group also took note of the program trends and highlights in the Draft Proposed Program and Budget. The Group welcomed the investments in the area of information technology, the operating environments of the Organization's global IP systems. It was happy to see the continued mainstreaming of development enabling contributions of Member States in innovation and in creative industries. The Group was also very pleased to note the optimism for progress in the normative programs, setting aside an allocated budget for the possibility of convening diplomatic conferences, should the Member States reach agreement in one of the measured areas of discussion, to take the final step towards the conclusion of a treaty or treaties. Finally, the Group looked forward to the discussions on the updated WIPO Accountability Framework, the WIPO Risk Appetite, and the Financing Plan to restore the coverage of long-term employee benefits at WIPO. Noting that these matters were not as straightforward as they may seem, the Group hoped that discussions on these matters would yield the desired results in the interest of the Organization, its Member States and its stakeholders.

11. The Delegation of Croatia, speaking on behalf of the Central European and Baltic States Group (CEBS) wished to thank the Chair, the Vice Chairs, and the Secretariat for the preparative work on all of the documents as well as the briefing session which had taken place the previous week. The Group felt convinced that these preparations would contribute to a constructive week of discussions. This especially referred to the Draft Proposed Program and Budget for the 2020/21 biennium and to the IAOC for their crucial contributions to the meeting. The Group reiterated its commitment to the PBC and confirmed that it would intervene on different Agenda items during the PBC.

12. The Delegation of Guatemala, speaking on behalf of the Group of Latin American and Caribbean Countries (GRULAC), expressed its satisfaction at seeing the Chair directing the Program and Budget Committee, feeling confident that under his leadership the decisions made would contribute positively to the results that were expected in the 2020/21 biennium. The Group had taken note of the documents prepared for the session and thanked the Secretariat for its dedication in preparing them as well as for the information briefing sessions that had been organized for the various different Regional Groups. In terms of the Agenda, the Group expressed its keen interest in the discussion of the Program and Budget proposal for the biennium 2020/21 as contained in document WO/PBC/29/3 adding that it would reserve the right to make specific interventions during discussion of that specific item. The Group looked forward to the presentation of the updated information on the selection process

for the members of the Independent Advisory Oversight Committee, the IAOC, and the Update on the Netting Pilot. The support of the Group could be counted on to contribute towards making progress on the various different topics that would be discussed that week.

13. The Delegation of Canada, speaking on behalf of Group B, thanked the Chair for his continued commitment to the work of the Committee and expressed its eagerness on being able to continue to count on his leadership to guide discussions. The Group thanked the Secretariat for its work on the preparation of the session and the documents which included the Draft Proposed Program and Budget for the 2020/21 biennium. The Group expressed its continued gratitude to the External Auditor, IAOC and IAOD for their ongoing work in reporting to the Committee. It was grateful for the essential role they played in the audit mechanism of the Organization and in supporting Member States in the exercise of their stewardship role. In order to save time for the discussions ahead, the Group would deliver substantive comments individually under the relevant Agenda items. The Group assured its support in the collective efforts of the session and felt confident that these would lead to fruitful discussions and positive outcomes under the guidance of the Chair.

14. The Delegation of Uganda, speaking on behalf of the African Group, appreciated the work of the Chair and the Members of the Bureau who had shown strenuous dedication to the work of the PBC. The Group provided assurance of its full cooperation and support, it thanked the Secretariat for the excellent preparations for the session, including the preparation of all of the documents that would inform the deliberations as well as the informal debriefing sessions and consultations that had clarified some issues beforehand. The Group would make detailed comments on specific Agenda items as they came up for discussion and wished to make a few preliminary remarks. Regarding Audit and Oversight matters, the Group took note of the progress report of the Selection Panel for the WIPO Independent Advisory Oversight Committee and of the steps it had taken so far to replace the members of the IAOC whose terms were due to expire in 2020, it encouraged the Panel to expedite its work. The Group looked forward to discussing the final report of the Panel at PBC 30. Concerning WIPO's Programmatic and Financial Performance in 2018, it welcomed the preliminary report which indicated that the Organization was on course to achieve most of its expected results in accordance with the 2018/19 Program and Budget. The Group looked forward to reviewing this report as well as the final performance report at the 30th Session of the PBC. Regarding the Progress Report on the Netting Pilot project for certain patent cooperation treaty fees, the Group was pleased to note that the project had achieved positive results since its inception in 2018 in reducing losses in fee income due to movements in currency exchange rates and reducing costs for the international searching authorities in the handling of fees. The Group supported the possible expansion of the project to other offices under the PCT, Madrid or the Hague Systems. Regarding the updated WIPO Accountability Framework, it commended the Secretariat for continuing to implement all the Joint Inspection Unit's recommendations and benchmarks, including putting in place internal control mechanisms, dispute settlement procedures, complaints and response procedures, as well as performance and risk management. On the Draft Proposed Program and Budget for the 2020/2021 biennium, the Group was pleased with the growth of the Organization's revenues and results, enabling it to finance its short and Medium-Term Strategic Plan from its regular budget as well as to fund its long-term development plans and mid-term liabilities from the surpluses. The African Group, as a major demandeur and beneficiary of WIPO's technical assistance and capacity building, wished to underscore the importance of allocating sufficient personnel and non-personnel resources to development oriented activities to facilitate the use of IP for development. It welcomed the proposal to increase total expenditure from 132.8 million Swiss francs in the 2018/19 biennium to 136 million Swiss francs in the 2020/21 biennium. This expenditure catered for a total of 23 programs, including improved Development Agenda projects. Therefore, there was a need to ensure that new Development Agenda projects that would be agreed on by the Committee for Development and Intellectual Property would be fully funded. The Group commended the Secretariat for

the continued mainstreaming of the Development Agenda Recommendations (DARs) in the Program and Budget and stressed the need to ensure that DARs should also be linked to expected results. The Group would make proposals, accordingly, for each expected result in that regard. Regarding the treatment of SDGs in the draft Program and Budget framework, the Group welcomed the way these were laid out. For the first time, each program was linked to the relevant SDGs to which it contributed and for SDGs that were crosscutting in nature, the linkage was made by way of cross-reference. However, the Program and Budget Framework did not show how each program would contribute to the SDGs that applied to it. Secondly, the Group wondered how such contribution would be measured, and thirdly, how specific SDGs interacted with the targets specified for each program. The Group looked forward to discussing the treatment of SDGs in the Program and Budget. In conclusion, the Group looked forward to constructive discussions on all Agenda items and it was hopeful that with the constructive engagement of all Member States, the Committee would achieve mutual accepted outcomes during the week.

15. The Delegation of Tajikistan, speaking on behalf of the Group of Central Asia, Caucasus and Eastern European Countries (CACEEC), expressed its gratitude to the Secretariat for the volume of work undertaken in the preparation of the PBC. The Group noted the thoroughly detailed Program and Budget over the two-year period, 2020/21, presented in a convenient format. It noted the optimistic forecast on growth and demand for services provided by the Organization. This undoubtedly was one of the key factors in the financial wellbeing of the whole Organization. The Group welcomed the measures undertaken to strengthen the IP system and support of its attractiveness to potential members and was convinced that the increase in volume of official documents, publications, reference and analytical material and platforms in the international system of registration that were sent in the official languages would contribute to broadening access to WIPO's products and services. As mentioned previously, on the issue of the conditions of the service of WIPO personnel, the Group noted the decision of the UNGA and the ICSC and believed this should be followed up on. On the issue of financing of the long-term financial obligations of WIPO, the Group based its opinion on the need to conform to the UN system practice on this issue. It supported the efforts of the Secretariat aimed at working on instruments on the basis of Artificial Intelligence, considering that the information on the mechanism of WIPO for optimizing the administrative functions of the Secretariat leading to savings was interesting. The Group noted the significant progress in risk management and also in strengthening the accountability system. It considered that the CACEEC region was underrepresented in the Organization, and that this situation was not improving. In this regard, the Group called on the Secretariat to follow the principle of geographic balance and to continue work on improving representation of the CACEEC countries within the Secretariat and considered it would be timely to look at the possibility of creating an institutional mechanism in one of two formats, either a focal point coordinator from within the Secretariat, or a task force to study the issue of geographical representation within the Secretariat. Overall, the Group was pleased with the work of the Organization and the measures undertaken for assistance to countries in its region and it expressed its readiness to constructively contribute to ensuring a positive outcome for the Committee's work during the session. The Group reiterated its sincere gratitude to the Director General and all those working in the Secretariat for the excellent interaction with the CACEEC Regional Group and for the useful assistance provided.

16. The Delegation of China thanked the Secretariat for their preparation of the informative documents and their other conference work in the year 2018 and hoped that the meeting, hosted by the Chair and Vice Chairs, would be a great success. The Delegation deemed that the Organization had achieved many positive results in the achievement of the strategic goals, in particular, the Global IP Registration System had grown for eight successive years which was significant, allowing WIPO to maintain a good financial position. The Delegation commended WIPO's progress and hoped that by the end of that biennium,

WIPO would be able to make even more progress. The Delegation underlined the importance of the PBC, which was at the core of the work to discuss and adopt the Draft Proposed Program and Budget for the 2020/21 biennium. The approval of this draft would ensure the smooth running of WIPO in the upcoming two years and was thus of great significance. The Delegation welcomed the main highlights and implementation strategies of programs listed in the biennium, including the delivery of efficient, timely, and cost-efficient services under the global IP system as well as the provision of diversified services to developing least developed and transition countries. For the future work, the Chinese government hoped that WIPO could play a bigger leadership role in the normative activities and progress of treaties so that the global IP system could be more universal, inclusive, and balanced. The Delegation hoped that WIPO could keep improving its global IP system to expand the working languages of Madrid and Hague Systems by including Chinese and Russian so as to better satisfy the increasing demand of users. It hoped that WIPO would pay more attention to development work in order to advance with the processes relevant to development and allocate more resources to this area. The Delegation said that it stood ready to work with other delegations during the session to discuss different Agenda items with a positive, open attitude, in the hope that the meeting would yield constructive results.

ITEM 3 WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC) MEMBERSHIP ROTATION – PROGRESS REPORT BY THE SELECTION PANEL

17. Discussions were based on document WO/PBC/29/2.

18. The Chair noted that the first substantive item, Agenda Item 3, was on the membership rotation of WIPO's Independent Advisory Oversight Committee (IAOC). The document was a progress report by the Selection Panel, setting out the progress on the selection process for replacing the two members of the IAOC whose membership would expire at the end of January 2020. This was in accordance with the Terms of Reference, which provided that all members of the IAOC should be nominated for a term of three years, renewable once. With that, the Chair turned to the Chair of the IAOC Selection Panel, and invited her to present the report.

19. The Chair of the IAOC Selection Panel, H.E. Ambassador Vesna Batistić Kos (Croatia), made the following statement:

“Mr. Chairman, Distinguished Delegates, Member States of the PBC, ladies and gentlemen, it is my honor to present to you today the progress report of the Independent Advisory Oversight Committee Selection Panel, that I have the pleasure to Chair, and I would also like to start by thanking all the members of the Selection Panel for their dedicated work in the last few months, as well as the Secretary of the Panel and her staff, for their valuable support and high professionalism in which they have assisted the members of the Panel.

“I would like to recall that the Panel was set up, as two members of the IAOC needed to be replaced from the two Regional Groups, CEBS and Group B. I would also like to recall, in accordance with the mechanism approved by the Member States in 2010 and contained in document WO/GA/39/13 that a Selection Panel would recommend the new candidates of the IAOC to the Program and Budget Committee for its approval.

“The process has progressed as described in the report, with reference to WO/PBC/29/2, and covers the period up to mid-March 2019. So the report that you have in your materials describes the process in detail; however, I would like to briefly highlight a number of matters.

“Procedures for selection and rotation of IAOC members are set out in document WO/GA/39/13 and in the IAOC Terms of Reference. In line with these procedures, each of the seven groups of Member States nominated one representative for the seven-member Panel. The Selection Panel adopted its own rules of procedure. Priority is being given to filling the two vacancies on the IAOC from the same Regional Groups as the outgoing two members, to ensure that, to the extent possible, the IAOC as a whole would be composed of one member from each of WIPO’s seven Regional Groups. This prioritization was reflected in the vacancy announcement and the *note verbale* from the Director General to all Member States inviting applications.

“157 applications were received. Applications were received from nationals of all seven Regional Groups. An external consultant screened each of the 157 applications to determine the eligibility of the candidates. As a result of her individual review, 78 of them met the eligibility requirements, of which 17 candidates were female and 61 male. Of those 78 applications, 68 candidates were from CEBS and Group B.

“So this is the situation as it was described in the report and as the report was published a number of weeks ago, I would like to provide some supplemental information by way of an update. The 78 applications were forwarded to the IAOC for a ranking-based assessment, with the names and nationalities of the candidates suppressed. The assessment was carried out by the IAOC at its 52nd session on March 19 to 22, 2019. The IAOC ranked the candidates using an evaluation matrix that had been prepared by the Selection Panel and in relation to which the IAOC had been consulted. The IAOC passed its assessment on to the Selection Panel, following which the names and nationalities were restored.

“At its second meeting in April, the Selection Panel considered the IAOC’s ranking-based assessment and since that time, has now established a short list of candidates for the next phase of the selection process, taking into account regional representation.

“I would also like to briefly mention, in conclusion, the future steps. After the selection process will have been completed, the Selection Panel will prepare a report detailing the selection process from mid-March onwards, that is to say, pick up from the report which you have in front of you. This report will also contain the Selection Panel’s recommendations to the PBC of the two candidates for membership of the IAOC for the PBC’s approval at the next session in July.

“I thank you, Mr. Chairman.”

20. Thanking the Chair of the Selection Panel for the update, the Chair opened the floor for comments or questions to the Selection Panel.

21. The Delegation of Canada, speaking on behalf of Group B, thanked the Secretariat for the preparation of the document and for updating the Committee on proceedings towards the selection of two new members of the IAOC. Group B looked forward to considering the final report and to the Selection Panel’s recommended candidates, in expectation that the selection of the IAOC members would allow for representation of all Regional Groups on the IAOC.

22. The Delegation of Croatia, speaking on behalf of CEBS, thanked the Secretariat for the preparation of document WO/PBC/29/2, and thanked the Chair and other members of the

Selection Panel for the work and for the updates on the proceedings of the selection of two new members of the IAOC. CEBS looked forward to the Panel's final report of the recommended candidates during the PBC session in July.

23. The Delegation of Guatemala, speaking on behalf of GRULAC, expressed thanks for the presentation of the report and awaited the final result in the July session of the PBC.

24. Pausing to allow for further requests for the floor, the Chair took a brief moment to recall the procedural step ahead of the PBC, which was to take note of the progress report.

25. As there were no further comments, the Chair proceeded to read out the decision paragraph, which was adopted:

26. The Program and Budget Committee (PBC) took note of the progress report of the IAOC Selection Panel.

ITEM 4 PRELIMINARY OVERVIEW OF WIPO'S FINANCIAL AND PROGRAMMATIC PERFORMANCE IN 2018

27. Discussions were based on document WO/PBC/29/INF/1.

28. The Chair explained that this item was intended to help provide some helpful context to the discussion on the Draft Proposed Program and Budget for the 2020/21 biennium. The Chair advised that the document had been included on the Agenda for the delegates to take note of, and passed the floor to the Secretariat for further explanations.

29. The Secretariat explained that the financial situation, as of end 2018, provided the preliminary end 2018 figures, which would be subject to audit and would be reported on formally at the July 2019 session of the Program and Budget Committee as part of the audited financial statements for 2018. The document also provided details of expenditure in 2018 by individual programs, the 2018 results by Union, and a forecast of the results for 2019. The Organization's unaudited results for 2018, as the Director General had mentioned, showed a surplus for the year of 42.5 million Swiss francs, a total revenue of 430.6 Swiss francs and total expenditure of 375.8 million Swiss francs. Investment losses in 2018 amounted to 12.2 million Swiss francs. That result could be compared to a surplus of 18.6 million Swiss francs in 2017 with a total revenue of 409.1 million Swiss francs and total expenditure of 394.8 million Swiss francs. Total revenue in 2018 was up by 21.4 million Swiss francs, or 5.2 per cent, on the 2017 figure. A majority of the program performance indicators were expected to be well on track at the mid-biennium stage.

30. The Delegation of Canada, speaking on behalf of Group B, recognized that the actual figures as of December 2018 suggested that the Organization was generally on track to achieve results in terms of budget utilization as per the Program and Budget for 2018/19. The Group welcomed the growth in the use of WIPO International Registration Systems in IP infrastructure and databases, the ongoing and increasing activities under WIPO Green and WIPO Re:Search, the rapid growth of the Accessible Books Consortium (ABC), and the launch of Pat-INFORMED (the Patent Information Initiative for Medicines). The Group was also pleased to note that WIPO continued its cooperation with an array of other organizations, including the WHO and the WTO, and welcomed the update regarding the positive outcomes of the international conference on respect for IP held in October 2018.

31. The Delegation of Croatia, speaking on behalf of the CEBS Group, expressed its satisfaction that WIPO had been achieving good results in terms of budget management for the 2018/19 biennium. The Group welcomed the growth in the use of WIPO International Registration Systems in IP infrastructure and databases as well as the growth of the

Accessible Books Consortium and the WIPO Green activities. The Group further expressed its satisfaction at WIPO's cooperation with other organizations, especially the WHO and the WTO, and the positive outcomes of the 2018 International Conference on Respect for IP.

32. The Delegation of China congratulated WIPO for the continuous increase in applications in the global IP system as well as the achievements on the strategic goals. The Delegation noted in particular that the PCT and Madrid Systems increases had been helpful for maintaining the sound financial situation of WIPO. The Delegation stated that, in recent years, the applications to the PCT and Madrid Systems in China had also increased steadily. The Chinese government had always paid great attention to the outreach and promotion of the PCT and Madrid Systems, including different events such as the high-level seminar, the different user seminars, as well as the promotional activities for PCT. In the future, China would continue to actively contribute to the PCT and Madrid Systems' developments.

33. The Delegation of Brazil expressed its appreciation for the Chair's work in presiding over the session and felt confident that his able leadership would guide the work of the PBC through the week. The Delegation noted that the Organization continued to show a healthy financial situation and that income from the PCT and Madrid Systems was higher than in the approved budgets. The Delegation also welcomed the developments in the IP infrastructure tools produced by WIPO, such as WIPO Translate, IPAS, as they improved the service provided by national and regional IP Offices. The Delegation supported WIPO's development of tools in image recognition of brands. In the case of IPAS, the Delegation noted that, on average, the IP offices assisted the Latin America and the Caribbean areas by 3.1 out of 5 possible levels, which underlined the potential for improvement in the next biennium. The Delegation highlighted the strong growth of accessible books available under the ABC consortium with an increase of 41 per cent compared to 2017. The innovative mechanism was crucial for the system in the implementation of the Marrakesh VIP Treaty and was bound to be strengthened with the ratification of the treaty by the USA and the EU, which had greatly increased the available number of adapted books in English and other languages.

34. The Delegation of Iran (Islamic Republic of) noted the progress made as presented in the document. With regard to the facility to use IP as a tool for development, the Delegation welcomed the strong growth rate in the distance-learning program and the summer school. With regard to the Inventor Assistance Program, as a joint initiative by the World Economic Forum and WIPO, the Delegation welcomed the fact that those programs became fully operational and hoped that more countries would benefit from the initiative in coming years.

35. The Delegation of The Republic of Korea expressed gratitude to the Secretariat for having prepared the preliminary financial and programmatic performance report of 2018. Concerning Strategic Goal II, the provision of premier global IP services, the 2018 performance report showed a growth in PCT and Madrid applications as a result of the increased filings in Asian countries. The Delegation, therefore, believed that it was necessary to strengthen localized approaches and services to support applicants from the regions, which would eventually contribute to the success of the premier global IP services provided by WIPO.

36. The Delegation of the United States of America supported the statement made by Canada on behalf of Group B. The Delegation thanked WIPO for the Preliminary Overview of WIPO's Financial and Programmatic Performance in 2018 and commended WIPO on its overall performance in 2018. The Delegation noted that the overall financial figures indicated that WIPO was on track with regard to income and expenditure as per the approved Program and Budget for 2018/19. The Delegation then inquired about programs 23 and 31 concerning the larger-than-expected budget expenditures. The Delegation noted that Program 26, internal oversight, was under-executed by 8.6 per cent and further cuts to this

program were being proposed in the 2020/21 budget to total a 10.3 per cent reduction as compared to the prior approved level. The Delegation emphasized that it viewed internal oversight as an important function and wished to know more about why resources were being transferred away from the Program and further reductions were proposed. WIPO's progress in all areas of its diverse programs were evident from the preliminary reports on all nine of WIPO's strategic goals, and the Delegation looked forward to reviewing the formal WIPO Performance Report, WPR for 2018, that the Secretariat would prepare for the 30th PBC session in July. An ongoing concern for the Delegation was the under-performance of the Lisbon System, and its failure to generate sufficient income from either its own fees or its own members to fund its activities. The Hague System, added the Delegation, had also experienced a loss of roughly 10 million Swiss francs. Investment losses in the Contribution-financed and PCT Systems were also substantial, in the amount of roughly 11 million Swiss francs. The Delegation would further address these issues in the course of the discussion on the Draft Proposed Program and Budget for 2020/21. Another area of concern was that of external offices and the presentation of the performance and past WIPO performance reports. The Delegation hoped that the WPR for 2018 would more clearly reflect what activities each external office performed and the results achieved, believing the performance reporting on external offices needed improvement, particularly as the final phase of establishing EOs was beginning and the subsequent system-wide evaluation of the EO network would therefore intervene.

37. The Delegation of Australia thanked the Secretariat for preparing the comprehensive Overview of WIPO's Financial and Programmatic Performance in 2018 and congratulated the Organization on its financial performance, with projected income tracking well in advance of projected expenditure after the first year of the 2018/19 biennium. The Delegation supported such continued sound financial management practices and investment strategies, which reinforced ongoing sustainability at WIPO. Turning to programmatic performance, the Delegation also congratulated WIPO on its work in addressing IP challenges through its global platforms, particularly WIPO Re:Search, the Accessible Books Consortium and WIPO Green. The Delegation was proud to be able to support these activities via the WIPO Australia Funds-in-Trust Program. Due to the activities under the Australian FIT, the WIPO Re:Search Network had been expanded to include five new research and development institutes, including new Australian members, the Burnet Institute and James Cook University. The Australian FIT support of the Accessible Books Consortium had been estimated to have positively impacted in excess of 51,000 visually impaired people across Bangladesh, Nepal, Sri Lanka, Indonesia, Mongolia, Vietnam. It urged Member States to continue to consider contributing to programs such as these via funds and trust arrangements, as they showed the impact that IP could and did have to address significant global challenges.

38. The Delegation of Japan thanked the Secretariat for its hard work in preparing the Preliminary Overview of WIPO's Financial and Programmatic Performance in 2018. It was pleased to see the steady efforts made by the Secretariat to implement the programs. As for the financial situation in 2018, the Delegation was pleased to hear that WIPO recorded a surplus of 42.5 million Swiss francs after IPSAS adjustments. It believed that cost-efficiency measures should have a sustainable nature and should not be temporary and one-time measures that the programs just pass on to be addressed later. Therefore, the Delegation looked forward to these types of cost-efficiency measures being continuously implemented in a sustainable manner. On the other hand, continued the Delegation, 80 per cent of the approved budget for 2018/19 allocated to the Hague System, Program 31, had already been used up by the end of 2018, while the number of applications filed under the Hague System was 90 per cent below the estimate. The Delegation expected that an increase in the number of Hague Union Contracting Parties would improve the future situation and increase the income of the Hague Union. The Delegation said that it would appreciate it if WIPO could continuously conduct promotional activities to increase the number of Contracting

Parties to the Hague Agreement and strongly hoped that meaningful measures would be adopted to mitigate the issue and be appropriately reflected in the Program and Budget for the forthcoming biennium.

39. The Secretariat thanked the various delegations for their positive comments and said it would try to answer the questions related to the 2018/19 budget utilization posed by the Delegation of the United States of America. The first question was related to Program 23 and why it was at 65 per cent. The Secretariat explained that, indeed, the natural or logical expectation was that the budget utilization should stand at about half of the biennial approved budget after the first year of the biennium. However, in many programs, it was to be noted that there were activities that were frontloaded or in some programs, activities were more loaded to the second year of the biennium. However, in that particular case, that was related to litigation costs that were incurred by the Organization. So, the actual costs in 2018 were higher than the provision in the budget. That was the answer for Program 23. In the case of Program 31, the Hague, there had indeed been a significantly higher utilization of the budget there in the first year of the biennium and this was primarily attributable to the completion or the implementation of the project for establishing the Hague platform. This was an IT project, which had been undertaken by the Secretariat. The project had come up against a number of complexities, one of which was related to the first experience of going to the Cloud. There were also other aspects such as integrating with the payment platform used to provide payment services to users of the IP systems in a new way. Overall, as with many IT projects, there were a number of firsts here that had to be addressed and that had taken a longer time and had presented more complexities than were originally envisaged. So, the increase in utilization for the Hague was primarily due to the IT project. Concerning Program 26, this was simply the result of a vacancy that had been present for a few months and that was reflected in the under-utilization of the budget. There were no reductions proposed for Program 26. Not wishing to preempt the discussions of the next day, when the program managers would be present, the Secretariat added that they would further explain the situation in respect of Program 26.

40. As there were no further comments, the Chair read out the decision paragraph, which was adopted.

41. The Program and Budget Committee (PBC) took note of the contents of document WO/PBC/29/INF/1.

ITEM 5 UPDATE ON THE NETTING PILOT

42. Discussions were based on document WO/PBC/29/INF/2.

43. The Chair explained that this item was a progress report on the project to analyze the possibility of introducing a netting structure for all PCT fee transactions with the aim of reducing exposure to movements in currency exchange rates of fee income, and passed the floor to the Secretariat for further explanations.

44. The Secretariat explained that document WO/PBC/29/INF/2 set out the progress report on the pilot on the netting of certain Patent Cooperation Treaty fees, a project to analyze the possibility of introducing a netting structure for all PCT fee transactions. The aim of the netting structure was to reduce exposure to movements in currency exchange rates of fee income for the International Bureau, to improve cash management, reduce banking charges and improve the efficiency of the PCT process through simplification of PCT procedures. Netting, continued the Secretariat, was intended to bring benefits to receiving offices (ROs) and International Searching Authorities (ISAs) as well as to the International Bureau. The pilot project for netting of PCT fees began in 2018 with a number of ROs and ISAs, mainly covering search fees and international filing fees. A preliminary review of the

results to date indicated that the pilot project had delivered positive results. To confirm those preliminary findings, the International Bureau was carrying out an internal evaluation of the results of the 2018 pilot, which would be submitted to the PCT Working Group as part of the comprehensive progress report for consideration by the Working Group at its 12th session scheduled to take place from June 11 to June 14 that year.

45. The Delegation of Canada, speaking on behalf of Group B, thanked the Secretariat for the preparation of the Update on the Netting Pilot and for its ongoing implementation. While the Group understood that the results were preliminary at that point and that the Secretariat would provide the June session of the PCT Working Group with a more comprehensive assessment, it was pleased to note that the pilot suggested that netting had a number of benefits, including lower costs for participants and generally streamlined procedures which in turn could benefit the overall PCT system and potentially other international registration systems. The Group said that it would welcome additional details on plans to mitigate the ancillary issues to be addressed that were identified in the document such as training and IT changes at participating receiving offices. The Group was pleased with the Secretariat's prudent approach with the process and looked forward to discussions at the PCT Working Group.

46. The Delegation of Croatia, speaking on behalf of the CEBS Group, thanked the Secretariat for the preparation of document WO/PBC/29/INF/2 and for the ongoing implementation of the netting pilot. The Group was satisfied that, already at that stage, there was evidence of benefits resulting from netting and looked forward to the further information on more streamlined procedures in general and a lowering of costs for participants. The Group considered that netting could be useful not only for the PCT system but also for the other International Registration systems.

47. The Delegation of China noted that the pilot system had brought great benefits. The Delegation said that it would like to see some internal assessment, especially on whether this pilot project would bring some issues to ISAs and ROs, in particular in terms of a possible negative impact. The Delegation was willing to further discuss this and to study the feasibility of the pilot project.

48. The Delegation of the Russian Federation, which was taking the floor for the first time, expressed its satisfaction at seeing the Chair presiding the Committee and hoped for constructive and fruitful work. The Delegation welcomed the work on the netting pilot and noted that this initiative could be the basis for the optimization of the financial administrative systems due to the lowering of risks and also to overcoming issues due to currency fluctuations. The Delegation believed that work on this issue and linked to the netting pilot project, both from WIPO's point of view and from that of interested parties, should continue namely by looking at the possibility of it being included in the IT systems and also with regard to Administrative Instructions. The Delegation believed it was necessary to have training for the appropriate workers in the various offices.

49. The Delegation of the United States of America supported the statement made by Canada on behalf of Group B and wished to thank the International Bureau for the update on the netting pilot. It commended WIPO on the preliminary positive results. The Delegation looked forward to reviewing the internal evaluation of the preliminary findings in a survey of participating offices at the 12th session of the PCT Working Group in June. The Delegation continued to have some concerns about the proposal to introduce a netting structure for all WIPO transactions, including the Madrid and Hague Systems, specifically with regard to the suggestion in Paragraph 29 that offices could modify their systems to provide for all transactions regardless of the purpose to take place through a single account. Such a system would be problematic for the office which had separate system components for ingoing and outgoing transactions as well as for Patents and Trademarks. Thus, the

combined netting system would be a significant change for them and would likely result in a significant cost and expenditure due to the modification of resources. As the Delegation had mentioned previously, the PCT Union had experienced approximately a 10 million Swiss francs investment loss in 2018 as per the preliminary 2018 financial results. It hoped that the internal evaluation would include a cost benefit analysis which would show the cost of all of the proposed netting system modifications so that it could be reviewed against potential savings. Staff training, accounting system modifications, and IT system modifications were all mentioned in the document and their corresponding costs should be included to assist in the decision-making process.

50. The Delegation of Brazil supported the preliminary work undertaken on the netting of PCT fees. This was an initiative that could increase the efficiency and reduce financial costs for not only the International Bureau but for the Office as well. As mentioned previously by other delegations, there were different issues involved with its implementation such as capacity building and IT adaptations in National Patent Offices. The Delegation looked forward to discussing those issues at the next session of the PCT Working Group.

51. The Delegation of Japan said that the Japan Patent Office had been participating in the netting pilot at both the ISA and RO levels since 2018. Participating as a RO had resulted in the reduction of administrative work and regular costs. The Delegation wished to express its satisfaction with the netting pilot and appreciated the efforts of IT coordinating it. However, it still needed to do the administrative work for International Applications sent from ROs that were not participating in the pilot. The Delegation wished to ask the IB to continue to encourage non-participating ISAs to join the pilot. Japan highly regarded the netting pilot as a useful project for PCT applications and would gladly continue to participate.

52. The Delegation of the Republic of Korea expressed its gratitude to the International Bureau for its continued efforts in implementing the netting arrangement for PCT fee transactions in order to reduce the risk due to fluctuating exchange rates and transaction costs under the PCT system. The Delegation wished to mention that individual offices had financial policies that would need to be taken into account when carrying out the netting pilot.

53. The Secretariat thanked all delegations for their comments, and noted that there were not that many questions as such but that there were certainly various comments on the need to include the full cost of the pilot in the evaluation. This meant including the need for training for people out in the offices, not just people in the International Bureau, and the need to include the IT changes which were required. IT changes had been made in the Organization but the Secretariat believed that there were IT changes required in various offices and said that it would include this in the evaluation paper that was being prepared. To answer the point raised by the Delegation of Japan, the Secretariat said that it was still encouraging non-participating offices to participate in the pilot. Some more invitations would go out that year if the evaluation was received in a positive way by the Working Group. The Secretariat was aware, from some of the responses received from offices, that these faced not only IT challenges because of the way that their systems were set up, but also challenges with local legislation. It had become very aware of these two issues. With regard to the legislative problems, the Secretariat was hopeful that the changes to PCT regulations and the Administrative Instructions, which, it hoped, would be proposed at the PCT Working Group, would help alleviate problems for the various ROs and ISAs. On the IT side, it was aware of some offices that needed to make some small IT changes and believed that these were, generally, small changes. There were people in the PCT IT section in the Organization who were very happy to work with offices to help them build the formats and files which were required. On the specific issue that the Delegation of the United States of America had raised, the Secretariat said that it was aware of the way the accounting was structured at the USPTO, adding that it had not really come across this issue with any other offices but that this was not so unusual. In this regard, the Secretariat was not really sure what it could do

but was happy to engage in further conversations with the colleagues of the Delegation of the United States of America.

54. As there were no further comments, the Chair read out the decision paragraph, which was adopted.

55. The Program and Budget Committee (PBC) took note of the contents of document WO/PBC/29/INF/2.

ITEM 6 DRAFT PROPOSED PROGRAM AND BUDGET FOR THE 2020/21 BIENNIUM

56. Discussions were based on document WO/PBC/29/3.

57. The Chair began discussion on the item with document WO/PBC/29/3, the Draft Proposed Program and Budget for the 2020/21 biennium, which was being presented to the PBC session for “discussion, comments and recommendations, including possible amendments”, in accordance with Financial Regulation 2.6 of WIPO’s Financial Regulations and Rules. The Chair reminded delegations of his approach for addressing the agenda item, noting that the timing of the PBC sessions had been brought forward this year as compared to previous biennia. He noted that the earlier timing of the sessions would be aimed at concluding negotiations before the summer, thus providing feedback to delegations, who felt that the later timing of the PBC sessions had impinged on their timely preparations for the General Assembly. The Chair recalled that the first reading would provide delegates with the opportunity to ask questions, explanations and discuss issues. The Chair emphasized the importance of closing, as many items in the budget as possible and having a clear consensus on the outstanding issues, which would require more work that would proceed through the Geneva-based delegates before the next PBC in July and in the July meeting. The Chair proposed to conduct discussions following the order of the Draft Proposed Program and Budget. The Chair then invited the Secretariat to introduce the document.

58. The Secretariat opened its remarks on the item, recalling that Member States had requested the Secretariat to give an oral explanation of the draft proposed Program and Budget 2020/21 and the allocation methodology for income and expenditure by union, in the decision of the WIPO Assemblies in 2018. The Secretariat reiterated the Chair’s remarks, stating that the Draft Proposed Program and Budget for the 2020/21 biennium had been submitted to the present session of the PBC for “discussion, comments and recommendations, including possible amendments”, in accordance with Financial Regulation 2.6 of WIPO’s Financial Regulations and Rules. The Program and Budget proposal for the biennium 2020/21 estimated the Organization’s income in the biennium 2020/21 would reach 888.8 million Swiss francs, an increase of 7.1 per cent compared to the approved Program and Budget income in 2018/19. This was to be seen in the context of an increase in PCT filings of 8.6 per cent compared to the 2018/19 approved Program and Budget. PCT income alone represented 76 per cent of the total income projected for the biennium. Income estimates were prepared based on the Chief Economist’s forecasts, taking into account historic filing data and GDP forecasts published by the International Monetary Fund (IMF). The unit contribution value was maintained at the same level as in 2018/19. The results framework for 2020/21 contained 38 Expected Results (ERs), reflecting clear contributions from each Program through well-defined performance indicators, and setting out the resources proposed by result and the development share. The WIPO Development Agenda, gender equality, SDG 5, reduced inequalities, SDG 10, and partnerships, SDG 17, were cross-cutting across all Strategic Goals of the Organization. The Director General had already referred to the programmatic priorities and highlights. For the first time, the SDGs to which Programs would contribute had been indicated in the program narratives. A summary of WIPO’s contributions to the SDGs was included in Annex X of the document. The total expenditure budget for the biennium was proposed at 753 million Swiss francs, representing

an increase of 27.2 million Swiss francs or 3.7 per cent as compared to the 2018/19 approved Program and Budget. The personnel budget amounted to 461.4 million, which remained almost constant as compared to the previous biennium. The non-personnel budget stood at 291.7 million. Estimated IPSAS adjustments to expenditures amounted to 19.8 million. Total expenditure after IPSAS adjustments was at 772.8 million and the estimated operating result at 116 million. Personnel expenditure had been contained at 461.4 million Swiss francs, which represented an increase of only 1.4 million or 0.3 per cent above the previous biennium. As in past biennia, personnel expenditure had been budgeted based on actual costs, which allowed for more granularity and accuracy in personal expenditure budgeting. The share of personnel expenditure in the total budget decreased from 62.4 per cent to 61 per cent. The Secretariat explained that the estimated operating result of 116 million Swiss francs should be viewed within the context of the considerable investments needed by the Organization in the areas of information and communication technology, premises and safety and security. It was further explained that capital investments had been approved by Member States for financing from the reserves of the Organization. The reserves were in turn constituted from accumulated surpluses generated by the Organization. It was noted that the next batch of capital master plan investment proposals for 2020/21 would be presented to the 30th session of the PBC in July. As in 2018/19, development expenditure had been based on the new definition, which had been used for the second time, and constituted 18.1 per cent of the proposed budget. The Secretariat explained that following the first review of the draft proposed Program and Budget, the PBC would hold final discussions during its second formal session in July and make recommendations to the 59th session of the Assemblies. The Secretariat pointed out that the 2020/21 allocation of income and expenditure by union was presented in Annex III of the Draft Proposed Program and Budget and further explained that the principles for the allocation of income were described in the document. Expenditures were allocated to unions under four categories: direct union expenses, indirect union expenses, direct administrative expenses and indirect administrative expenses. The Secretariat noted that strictly applying the methodology used in the Program and Budget 2018/19 for the allocation of income and expenditure to the unions in the context of the Program and Budget 2020/21, in particular the capacity to pay a principal, would result in the majority of the unions, i.e. the Contribution Financed unions (CF), the Hague Union and the Lisbon Union not being able to bear any direct union or indirect administrative expenses. In order to ensure a nominal contribution of all unions towards common expenses, it was proposed that the CF, the Hague and the Lisbon Unions would contribute a nominal 1 per cent of their revenue towards common expenses. Regarding the allocation of direct union and administrative expenses, as per past practice, the calculations had been refined to better reflect the evaluation of the work of the Organization as enabled by the Enterprise Resource Planning (ERP) and Enterprise Performance Management (ERM) systems. The Secretariat concluded its oral presentation, assuring all delegations that cost efficiencies were a continuous focus of the Secretariat and were fully embedded in the Program and Budget proposal. The 2018 WIPO Performance Report in July would provide a view of cost efficiencies.

59. The Chair opened the floor for general comments and statements, explaining that the document would be considered after those by Strategic Goal.

60. The Delegation of Tunisia expressed its gratitude to the Chair for his work during the session of the PBC and assured the Chair of its full support. The Delegation thanked the Secretariat of WIPO for the efforts made to prepare for this session and for the detailed documents provided. The Delegation endorsed the statement made by Uganda on behalf of the African Group at the opening of this session. The Delegation expressed its satisfaction with the stable financial situation and the excellent management of the program of WIPO. The Delegation thanked the Secretariat for the preliminary summary report on the financial results and performance of WIPO in 2018 and the information concerning activities in 2018, which would allow Member States to have a clearer vision of the situation during the

discussion of the Draft Proposed Program and Budget for the 2020/21 biennium. As for the draft Program and Budget for the 2020/21 biennium, the Delegation expressed its pleasure at the increase in income and reserves in the Organization, which would allow for funding the strategic plan based on regular budgetary resources. The draft Program and Budget enabled a comprehensive and exhaustive overview of programming for 2020/21 and reflected the main pillars of activities, including contingencies related to the international economic situation. The Delegation noted that it was particularly interested in the issue of development, in terms of objectives, and for the expansion of IP for development purposes. The Delegation then noted its pleasure in seeing the mainstreaming of development in all WIPO activities for developing countries, LDCs and countries in transition to help them to participate in innovation and creative enterprise activities. Achieving the Sustainable Development Goals (SDGs) has been a clearly defined set of goals for Member States to agree and would be essential in having efficient work. The Delegation remarked that WIPO had gotten off to a good start in that effort and was sparing no effort to establish a worldwide balanced and efficient intellectual property system.

61. The Delegation of Canada, speaking on behalf of Group B, thanked the Organization for the preparation of the Draft Proposed Program and Budget for the 2020/21 biennium and noted that WIPO was fortunate to continue to enjoy a favorable financial situation, largely attributable to fees generated by WIPO's international registration systems and to growing demand for those services. The Group noted the Chief Economist's performance forecasts, whereby growth would continue across the PCT, Madrid and the Hague Systems during the next biennium. In that context, Group B noted the importance of ensuring the continued availability, attractiveness and overall sustainability of those systems and welcomed the Secretariat's ongoing efforts to that end. The Group further noted that planned income of 888 million Swiss francs, a 7.1 per cent increase over 2018/19, was mostly attributable to growth in the international registration systems, and planned expenditure of 753 million Swiss francs would result in a surplus of 116 million Swiss francs. The Group called for prudence in inputting such a figure. The Group was pleased, however, that the Secretariat had shared that view. Group B took note of the proposed 0.3 per cent increase in staff costs and were pleased that the corresponding figures reflected the new common system and compensation package. The Group also noted that the proposed 2.8 million Swiss franc provision for the WIPO Rewards and Recognition Program would represent a significant increase for that particular line item over the 2018/19 budget. The Group asked for an explanation for the significant increase. Group B called upon the Secretariat to develop a framework for WIPO's Rewards and Recognition Program based on Annex VI of the report of the International Civil Service Commission (ICSC) for the year 2017, which reflected the ICSC decision on budgetary and salary caps and the principles and guidelines set out in that document. The Group stated that it would appreciate if the document could be reviewed by the IAOC with appropriate consultations and presented to Member States for discussion and adoption. The Group also expressed interest in increased transparency with respect to how the budget had been planned for and impacted by staff settlements, and requested the Secretariat to provide supplementary information. The Group welcomed the proposed increase in the provision charge for after-service health insurance (ASHI) from 6 per cent to 8 per cent, noting that the ASHI liabilities of the Organization remained important and thus needed to be carefully monitored and addressed.

62. The Delegation of Croatia, speaking on behalf of the CEBS Group, noted with satisfaction the very healthy prospects for financial results of the Organization during the current biennium. The CEBS Group commented on the projections for the future growth of the registration systems, which in the 2020/21 biennium were expected to result in an increase of 7.1 per cent over the estimated income for the current biennium. Under such an optimistic scenario, the Group noted that the proposed increase by 3.7 per cent in expenditure for the next biennium seemed prudent and reasonable. The Group observed that an estimated overall surplus of 116 million Swiss francs over the budget period would

provide a credible caution for unpredictable situations. On Program 10, Transition and Developed Countries, the Group noted with satisfaction the increase of allocations for capacity building activities, which it believed would contribute to better management of the IP systems in their countries. The Group stated that CEBS members had always highly appreciated the activities of the WIPO Academy and hoped that the change of structure of Program 11 would positively influence the Program's effectiveness. The Group then asked for clarification on the rationale for those changes. The Group further commented that it continued to support the activities carried out under Program 21, as both the Organization and the Member States profited from them in the sense that they contributed to the Strategic Goals of the Organization.

63. The Delegation of Iran (Islamic Republic of) noted that transparency, clarity and openness within WIPO, in particular on the budgeting process, were of utmost importance for the Delegation. The Delegation expressed its appreciation to the Secretariat for its comprehensive method of drafting and reporting the Program and Budget for the next biennium. The Delegation mentioned that it was of the firm belief that Development Agenda recommendations should be regarded as a process that needed to be constantly mainstreamed in all WIPO activities and committees. Accordingly, it was noted that taking account of those recommendations in the substantive programs in the course of the next biennium should be a key priority for both the Organization and the Member States. While recalling that norm-setting activities should be inclusive and member-driven, the Delegation highlighted the importance of improving all issues on the normative work agenda that would be based on a multilateral spirit and the political will to achieve the outcomes benefitting all Member States. The Delegation also underlined the significance of technical assistance in the Program and Budget for the next biennium and the resources allocated to the activities of the WIPO Academy. The Delegation then recognized the prominence of small and medium-size enterprises (SMEs) for innovation in WIPO's activities to which due consideration should be given in the Program and Budget. The Delegation encouraged enhanced and successful activities for the WIPO Academy and for SMEs during the next biennium. The Delegation stressed that promotional activities and provision of high-quality services to the global IP system should be one of the main functions of WIPO, with particular focus being placed on promoting the PCT, Madrid, the Hague and Lisbon Systems for international registration. In that regard, the Delegation was of the view that the financial sustainability of the Lisbon System should not be regarded as an obstacle and that it would require the necessary allocation of financial resources not only for the effective administration of the registry but also for information and promotion activities. The Delegation also noted that it was looking forward to equal prominence to be given to the Lisbon System along with the other Unions. Lastly, the Delegation welcomed the implementation of SDGs as one of the indicators for the Program and Budget for the next biennium.

64. The Delegation of Brazil thanked the Secretariat for the comprehensive work done in preparing the document. The Delegation underlined the importance of mainstreaming the Development Agenda into WIPO's substantive work. The Delegation recalled that it was not merely a matter of projects by the CDIP, but a wider reflection regarding the role of the multilateral intellectual property system to work for development in line with the efforts by Member States. The Delegation encouraged WIPO to continue the mainstreaming of the Development Agenda across the Organization. The Delegation also welcomed the fact that SDGs were now referenced under each Program as they related to them individually and that the Strategic Goal tables in the introduction that provided information as to how each Strategic Goal contributed to SDGs was a user-friendly way to assess that. However, the Delegation noted that it would be important for Member States to have more information regarding how those Programs would contribute to the SDGs and how such contributions would be measured. In times of limited budget in other international organizations, the Delegation remarked that WIPO continued to show a healthy financial situation through the fees collected by the PCT and Madrid Systems, noting that a surplus of 116 million Swiss

francs was predicted for the end of the biennium. If history could be a guide in that matter and the estimates made by the Office of the Economist Chief considered, income would continue to grow in the next biennium. That would allow the Organization to deploy those resources for the benefit of Member States, stakeholders and the IP system in general in the form of investments in structure and ICT initiatives among others. That would also strengthen the incentives for the creation and dissemination of innovative products and creative works in line with WIPO's mandates and the higher goals that justify intellectual property protection. The Delegation noted that one of the priorities of WIPO in the next biennium would be to increase the use of global registration systems by developing countries. The Delegation agreed with this objective, which would allow that all Member States take full advantage of the intellectual property system. The Delegation continued to support the development of global IP infrastructure for the benefit of Members, stakeholders and third parties. One particular issue referring to the access and use of IP information was noted as a very important topic that contributed to enhanced transparency, disseminate information among users, and also increased the quality of the work undertaken by IP Offices. Another important issue for the Delegation was the improvement of IPAS for use by national IP Offices. The system was recognized as a valuable tool that allowed for productivity gains by the Office in their routines for examining IP applications. The Delegation mentioned that it would make additional comments on the topic under Program 15. The Delegation attached great importance to the principle of balanced geographical representation and gender diversity, especially at the P and D levels. The Delegation noted that the results in the preliminary overview contained in document WO/PBC/29/INF/1 showed that Latin America had seen a decrease in its representation during the years. The Delegation hoped that the trend could be reversed to show an increase in the number of WIPO employees coming from the Latin American and Caribbean region.

65. The Delegation of Italy expressed its appreciation for the efforts that WIPO had made to spread the IP culture and utilization of the IP systems. Concerning the allocation and direct costs, the Delegation stated that the current proposal was not in line with the capacity-to-pay principle, noting that it concretely consisted in a change of the allocation methodology. The Delegation reminded the Secretariat that there had been no consensus on that issue and consequently no mandate for WIPO for making such a modification.

66. The Delegation of Canada, speaking in its national capacity, stressed its serious concerns over the Secretariat's proposal regarding the so-called enhancement of the WIPO Rewards and Recognition Program, including the very controversial WIPO performance reward. The Delegation recalled that on December 22, 2018, the United Nations General Assembly unanimously expressed, "serious concern at the decision of the World Intellectual Property Organization to pay an organizational performance bonus" in 2018. The Delegation expressed its extreme disappointment that the Secretariat was not only refusing to cease this questionable practice, but was, in fact, doubling down and seeking to institutionalize it into a recurring payment despite and in frustrating disregard of the serious concern expressed by the United Nations Member States and in circumvention of the imperatives of the United Nations Common System. In addition to its indifference toward the concerns expressed by Member States, the reward, which at 2,000 Swiss francs effectively amounted to an average 1.2 per cent net salary increase for staff at the professional level, undermined coherence in the United Nations Common System by setting compensation expectations that could not possibly be matched by any other United Nations System organization. It was further noted that the Secretariat had claimed in footnote 54 on page 143 of the Draft Program and Budget that the enhancement of the WIPO Rewards and Recognition Program and/or the WIPO performance reward itself was in line with ICSC document A/72/30. The Delegation strongly disputed that assertion. The document in question, the report of the International Civil Service Commission (ICSC) for the year 2017, outlined a framework for recognition and reward programs. That framework had made it abundantly clear that team awards, such as

the WIPO performance award, could only be applicable to members of teams that had made an outstanding/exceptional contribution to the work of the Organization. The Delegation noted, however, that the 2.8 million Swiss francs requested by the Secretariat, which represented an increase by several orders of magnitude over the corresponding 2018/19 provision, was a large sum that more or less corresponded to the amount that had been dispersed in 2018 and did not suggest the payment of rewards only to staff that made an “outstanding/ exceptional contribution”, but rather implied that the Secretariat had once again planned an essentially across-the-board payment to virtually all staff. It was further noted that that had been despite and in disregard to the unanimous concern of the United Nations General Assembly on that matter. The Delegation, therefore, requested the inclusion of language under Program 23 that would make it clear and explicit that any funding provision that Member States would approve in regard to the WIPO performance reward would be caveated as, “for use only as rewards for a limited number of outstanding or exceptional performers,” with that to be determined by the Secretariat in a credible and realistic manner that excluded payments to essentially all staff. If that caveat were not included, Canada would not be in a position to approve any increase in funding associated with the WIPO Rewards and Recognition Program. The Delegation also requested that the provision for the WIPO Rewards and Recognition Program be adjusted downwards so as to be consistent with the fully ICSC compliant rewards program, thus reflecting only the amount that would be needed to provide team awards to those staff members that had made an outstanding/exceptional contribution to the work of the Organization. The Delegation stated that it would be extremely disappointed if reward payments were to be made on a discretionary basis should that funding not be approved by Member States. The Delegation stated that its position on this issue was in no way a comment on the excellent work achieved year after year by WIPO and its high-performing staff, which the Delegation had commended numerous times in that and other committees. However, the Delegation was displeased at being placed in a position where it had to reiterate concerns that it thought were clearly expressed by the United Nations General Assembly. Ultimately, any recurring payment of across the board bonuses in disregard of ICSC guidelines and the views of the United Nations General Assembly, would undermine WIPO's reputation. The Delegation wished for WIPO to continue to be known, including amongst the global IP community, for its efficiency, essential and quality services, substantive achievements, and dedicated professional staff. Thus, the Delegation urged the WIPO Secretariat to prevent controversial management actions from overshadowing WIPO's excellent work.

67. The Delegation of the Russian Federation noted with satisfaction the stable financial situation of the Organization and the income and the growth and optimistic forecast attached to the broad spectrum of activities undertaken by the WIPO Secretariat. The Delegation believed that what was prepared in the document and its approach would be aimed at achieving the Strategic Goals of the Organization. The Delegation further expressed its belief that an increase in income on IT infrastructure was necessary to increase the efficiency of the registration system and restraining the growth in expenditure on services. The Delegation shared the position that achieving the program, strengthening potential, and introducing artificial intelligence systems was of great potential for alleviating administrative problems and improving functioning and ensuring the quality of services provided. In the conditions of regular growth in indicators for international applications and the introduction of technology could activate processes without increasing fees and expenditure on personnel. The approach taken by the Delegation on a number of Programs was reflected by the recommendation to increase publications, both handbooks and methodological materials. Handbooks would be for the users of WIPO services and expanding the volume of content in the official languages of WIPO. The Delegation stated that that question was vital and concerned Programs 1, 2, 3, 5, 6, 31, 8, 30, 12, 16 and 19, noting that the list of Programs was not exhaustive. In that connection, the Delegation was concerned about the policy of the Organization and proposed to include a paragraph in the Program and Budget on using official languages and translating them for WIPO documents and the appropriate indicators.

The Delegation expressed its opinion that expanding the content in all of the official languages of WIPO would help to achieve the key goals of expanding access to the services and products of WIPO. That step would improve the overall level of information provided, including for SMEs, small and medium sized companies, and expanding access to information and knowledge of administrative materials. Through the translation, the Delegation could actively promote the use of instruments based on artificial intelligence. The Delegation stated that all of those should be high-quality interpretations and sufficiently comprehensive, and therefore, there should not be a drop on expenditure on translation. In the context of possibly extending the discussion of the budget, the Delegation requested that a proposal be prepared and included in the Program and Budget for the next biennium for the July session of the PBC. The Delegation shared the concern expressed by a number of delegations over the indirect expenditure for unions and noted that the system was in a development phase and that increasing expenditure obligations could make it less attractive for potential members of those unions. The Delegation called for a balanced decision and solution that considered all possible risks and different versions of approaches that took into account the situation of each country.

68. The Delegation of the Republic of Korea noted that the number of PCT, Madrid and the Hague applications were anticipated to increase during the next biennium, resulting in 95.2 per cent of the total income. The PCT fee income alone would represent 75.6 per cent of the total income in the 2020/21 biennium. Therefore, the Delegation believed that the dependence of WIPO's budget on the fees of international applications required careful and accurate calculation and a conservative approach about the projection.

69. The Delegation of Pakistan expressed its appreciation for the manner in which the Chair was conducting the session and to the Secretariat for having prepared the Draft Proposed Program and Budget for the 2020/21 biennium and other documents. The Delegation shared some observations and suggestions in its national capacity. First, on Strategic Goal III (Facilitating the Use of IP for Development), the Delegation requested the Secretariat to specify what activities were being taken under that agenda item because the activities at present were scattered among various Programs and were not entirely clear for Member States to which activities were development-oriented and which activities were not. The Delegation also requested the Secretariat to present the information on development activities in a consolidated form, preferably in a chart form or any graphical presentation form, so that Member States would be in a better position to understand them and guide the Committee on both sufficiency and efficiency of such activities. Secondly, the Delegation pointed out that, although WIPO had been presented as an innovation organization, and that aspect was clearly stated in its mission statement, there had been a considerable fragmentation of units that deal with innovation-related matters. For instance, the Delegation noted that TISCs would deal with some parts, the Bureaus would handle some aspects of innovation, and some units dealt with capacity-building programs. In essence, there were different units dealing with different aspects of innovation and are parked separately. The Delegation further observed that Member States found it very difficult to benefit from them because various units were working individually, and it could become quite opaque regarding what functions those units were delivering. The Delegation requested the Secretariat to consider establishing a standalone, separate division on innovation-related matters since, at present, there was no division that dealt explicitly with that subject. The Delegation also requested the Secretariat to ensure that existing divisions on innovation would not be under-sourced since it also posed a challenge for Member States to benefit from them. Lastly, on Program 20 (External Relations, Partnerships and External Offices), the Delegation noted that various countries' positions were well known on that subject, including that Delegation. It was further noted that discussions were still going on and much would depend on the external evaluation to open the new external office. The Delegation was mindful that the following year would be the review year. The Delegation then expressed its

trust in the process and requested the Secretariat to dedicate sufficient resources for independent, transparent and external evaluation of external offices.

70. The Delegation of the United States of America fully supported the statement made by the Delegation of Canada on behalf of Group B. The Delegation welcomed the proposed Program and Budget and appreciated the effort that went into its preparation. The Delegation strongly supported the important work that WIPO did and valued the contribution that the PBC made to the governance of the Organization by providing an opportunity for Members of the Organization to agree upon priorities and performance metrics for future years. The Delegation noted that the Program and Budget was a document prepared by the Secretariat that could aid Members in that process while also serving as guidance for the Organization. As it had noted many times, the Delegation placed the utmost importance on the principles of transparency, accountability and good governance in the United Nations organizations, including WIPO. The Delegation stated that it was not prepared to support the approval of the Proposed Program and Budget at that time and wanted to raise several questions first. On page 174 of the Proposed Program and Budget, Table 11, the reserve working capital fund target was provided after the anticipated operating result for the biennium. In that context, the Reserves and Working Capital Funds (RWCF) target had no meaning because the projected RWCF balance was not provided. The Delegation questioned why the balance had not been provided in Table 11. Regarding the proposal to increase the Organization's reserves from 22 per cent to 25 per cent, the Delegation questioned how that change would be made, asking whether a revised policy on reserves for Member States to review. The Delegation further stated that the proposed digital timestamping service had not been fully explained, specifically, under which unions it would operate, how fees would be set and what safeguards would exist to prevent fraudulent representation by outside actors. The Delegation acknowledged that the Secretariat had released the Q&A document the previous night and that it would review it in due time. Regarding the six Contribution Financed (CF) unions (Paris, Berne, IPC, Nice, Locarno and Vienna Unions), the Delegation noted its appreciation for the explanation given in Annex III, which explained how the program expenses would be divided between the unions, but cautioned that some of the decisions remained unclear. In reviewing Annex III, the Delegation noted that the Secretariat had proposed that the expenses of Program 2, Trademarks, Industrial Designs and Geographical Indications (GI), would be paid from the CF unions, the Madrid Union and the Hague Union. The Delegation questioned why there were no expenses for Program 2, which included GIs, included in the Lisbon Union. Similarly, the Delegation noted that WIPO had been working and believed that WIPO would continue to work to enhance human resource capacities to implement the Lisbon Agreement. The Delegation inquired if that was accurate and if so, noted that the Delegation believed that for Expected Result III.2, Program 32 should also be listed as a direct union expense. If Program 32 was not listed, the Delegation believed that WIPO should forego any work in that area related to the Lisbon Agreement. Next, it was noted that the Secretariat proposed to significantly increase the WIPO Rewards and Recognition Program, including the WIPO performance award, from 120,000 Swiss francs in the current biennium to 2.8 million. The Delegation fully supported the intervention delivered by the Canadian Delegation on that issue. The Delegation stated that it could not support an increase to that Program if the reason was to fund the organizational performance reward and that the financial scope and significance of that would require further consideration by Member States. In particular, there should be an effort to: (i) ascertain the alignment of the program with United Nations Common System principles and recommendations by the International Civil Service Commission; (ii) take into account the serious concerns expressed on this subject by the United Nations General Assembly Resolution A/RES/73/273; and (iii) develop criteria that would guide determinations on organizational performance as well as the role of WIPO Member States in making such determinations. Given the concerns that the Delegation had expressed about the distribution of financial responsibility across unions, which was in part a reflection of a perceived imbalance of the performance of individual unions, the Delegation

did not believe that providing across-the-board, organizational-wide financial rewards was appropriate. It was noted that that was not to say that WIPO staff across the organization were not worthy of recognition for the hard work that they do. The Delegation stated that it was merely calling out for a thoughtful discussion about how the reward program had been administered and the criteria that govern assessing organizational performance and the respective roles of WIPO Member States in the Secretariat leadership in administering such a program. The Delegation was confident that an approach could be identified that met the needs of the Organization, preserved the integrity of the United Nations Common System and ensured responsible oversight by WIPO Member States.

71. The Delegation of the Netherlands aligned itself with the statements made by the Delegation of Canada on behalf of Group B, as well as the remarks made by Canada in its national capacity. The Delegation expressed its concern with the proposals about the Rewards and Recognition Program in the new budget proposal. It further noted that the decision to award organization-wide bonuses to staff of WIPO recently had been subverting the intent of the ICSC decisions with regard to the United Nations post adjustment. The system had been in place to have an equal United Nations Common System in which staff were recompensed for their work. The Delegation commented that the 2.8 million Swiss francs requested by the Secretariat for the next biennium was a large increase compared to the amount in the present budget in 2018/19 and gave the impression that the Secretariat again wanted to reward all staff a large payment, which undermined the Common System, and not rewarding only certain staff members for exceptional performance. The Delegation reiterated its agreement with the proposal by the Delegation of Canada, and outlined by others, that it should be made explicitly clear that the rewards were only available for a limited number of outstanding performances.

72. The Delegation of China commended the good financial situation shown during the 2018/19 biennium. The Delegation noted that the 2020/21 Draft Proposed Program and Budget was very important for realizing the nine Strategic Goals, which were very detailed and included a comprehensive work plan. It was further noted that the document would also guide the future work for the next two years of the Organization. The Delegation pointed out that efforts had been arranged to promote the work of the Beijing Treaty, the Marrakesh Treaty, as well as other agreements and that resources had been allocated for the realization of the Development Agenda. At the same time, it would also promote the knowledge center constructions in different countries for knowledge and technology transfer. The Delegation commended all those efforts. At the same time, the Delegation had noticed that WIPO had not met expectations of Member States in realizing the language policy, including work relating to the website, publications and the Hague and Madrid Systems, at present, did not provide all the official languages of the Organization in their work. That would affect the realizations of many Strategic Goals, especially Strategic Goal II and V. Considering that the Organization had a very sound financial situation, the Delegation hoped that WIPO would allocate more resources to fully implement the language policy of WIPO, expand the official languages used in the Organization, and make relevant indicators that should be reflected in the draft proposed Program and Budget, which would be reviewed in the July PBC meeting.

73. The Delegation of Japan supported the statement made by Canada on behalf of Group B. The Delegation greatly appreciated the fact that priority had been given to the budgets for global IP services such as the PCT, Madrid and the Hague systems, based on the fact that more than 90 per cent of WIPO's income had been generated from fees paid by applicants for those services. The Delegation was pleased that the area of WIPO's IT platform, such as its Global IP Databases and WIPO CASE, had been given priority in the draft proposed Program and Budget because the needs for enhancing accessibility to IP information was increasing as a number of international applications and restorations grew. The Delegation was of the view that the evidence to support validity of the prediction of the income in the next biennium should be explained in detail, and prediction should be kept on

the safe side as much as possible. In that context, the Delegation noted that Table 11 of Annex III showed the overall allocation of income and expenditure by Union. The Delegation expected that the Hague Union and the Lisbon Union would have deficits. The Delegation hoped that all Member States and the Secretariat would consider ways to correct the imbalance of income and expenditure between the unions so that all of them would achieve sound finance. On WIPO's Rewards and Recognition Program, the Delegation supported the statement made by the Canadian Ambassador. The Delegation also believed that the WIPO Secretariat should pay special attention to the United Nations General Assembly Resolution A/RES/73/273, in which the United Nations General Assembly unanimously expressed "serious concern at the decision of WIPO to pay an organizational performance bonus" in 2018. The Delegation acknowledged the importance of upholding the United Nations Common System and it was concerned that WIPO's across-the-board practice was not consistent with the spirit of the "framework for recognition and rewards program" shown in ICSC document A/72/30.

74. The Delegation of Uganda, speaking on behalf of the African Group, welcomed the positive projections for the Organization, which would see an increase in its revenues as well as its surplus. That would ensure that the Organization would be able to fund its medium-term expenditures and meet long-term plans and liabilities but also guarantee rich results. The Delegation was of the view that the draft Program and Budget framework document was a very good basis for the Group's discussions. It endeavored to balance IP involvement and other interlinked global issues. The Group was optimistic that this committee would be able to reach a consensus on a number of issues ahead of its July session. Regarding the budgetary allocations for development activities, the African Group welcomed the increase in the total development expenditure; however, that expenditure needed clarification on Programs 1-8, 20, 21, 30, and 32, including approved Development Agenda projects. The Group was not clear on how new Development Agenda projects were to be agreed by the CDIP on funding. On mainstreaming DA Recommendations, the Group welcomed the entrenched practice of mainstreaming of DA Recommendations in the Program and Budget and commended the Secretariat for that. However, the Group saw that the applicable DA Recommendations for each Program were outlined under implementation strategies only and that no corresponding targets or measurement indicators, or expected results were indicated. The Group requested the Secretariat to shed more light on that in order to find ways on how to improve the mainstreaming of DA Recommendations. Regarding SDGs, the Group thanked the Secretariat for the way the same were articulated, linking each Program to each SDG goal to which it applied. The Group then recalled its opening statement noting that each SDG goal had unclear targets. The Group wanted to see how each target would be measured and how each SDG target could interact with other Program expected results. The African Group took note of the new proposed program under Program 21, which was dedicated for administration of the IP. The Group understood that the Organization had been undertaking some work in that area in the framework of the Advisory Committee on Enforcement. There was also a pending discussion on the implementation of the project on capacity building for judges in the framework of the CDIP. It was not clear to the Group, however, how that program had come to be independent from Strategic Goal VI, which dealt mainly with IP enforcement, to somewhere else. The Group requested the Secretariat to provide clarification on the content of that program and how it was consistent with development expenditure as well as its contribution to the involvement of a balanced international framework. On geographical balance, the Group acknowledged all the ongoing efforts to improve geographical representation, but also noted that more concerted efforts were needed to achieve more balance. With regard to funding for normative issues, the Group recalled that the Director General pointed out that the Organization anticipated possible treaties in three areas, including rights for broadcasters, DLT as well as an instrument or instruments for protection of traditional knowledge, traditional cultural expressions and genetic resources. It was further noted that funding had been provided for the possible convening of three diplomatic conferences, however, missing

from the list was work on corporate limitations and exceptions, such as for libraries and research institutions, an area in which the group anticipated maturing for high-level treaty negotiations in the next biennium. The Group looked forward to constructive discussions.

75. The Delegation of Belgium thanked the Secretariat for preparing the Program and Budget for 2020/21. The Delegation aligned itself with the statement made by Canada on behalf of Group B and its remarks made in a national capacity concerning the Rewards and Recognition Program and support for the proposal concerning Program 23.

76. The Delegation of the United Arab Emirates (UAE) congratulated the Chair on his appointment as Chair and expressed confidence that that the Chair would be able to achieve results, which were beneficial to all. The Delegation joined with the Delegate of Indonesia on behalf of the Asian Group in thanking the Secretariat of WIPO for its ongoing efforts to prepare the Draft Program and Budget for the biennium 2020/21 in a record period of time. The Delegation noted that the document provided the Delegation with a sound foundation for having an idea of the financial situation of the Organization. The Delegation welcomed the forecasts for the development for the next biennium and was also heartened over the sound situation without needing to increase international expenditure. The Delegation was pleased to note that Goal 10 of the Sustainable Development Goals had been taken into account, including the shared objectives, above all, as part of the Programs implemented by the Organization. The Delegation singled out Goals 5 and 17. The Delegation noted that WIPO contributed to and was working actively to achieve Sustainable Development Goals and thought that that was the first stage to integrating the SDGs into the development of Programs of the Organization, as the achievement of SDGs was a priority for developing countries and LDCs. The Delegation emphasized how necessary it was to take into account technological progress in investment programs undertaken by the Organization, above all in the field of intellectual property services. The Delegation further stressed that it was a vital sector for the Organization and should be included in the Programs. The Delegation acknowledged the Director General's statements concerning transitions toward digital technological services, which could make it easier to manage intellectual property business. Concerning the geographical distribution issue and geographical representation, the Delegation welcomed WIPO's efforts in that area to guarantee balanced geographical representation. The Delegation observed that over the last 10 years, more than 120 different nationalities had been represented in WIPO's staff. The Delegation hoped those efforts could be sustained. The Delegation supported the statement made by the Delegation of the Russian Federation and the Delegation of China concerning the official languages of WIPO to eradicate any language barriers that might exist in WIPO's services. The Delegation pointed out that the Arabic language was one of those official languages and that more than 400 million people spoke Arabic. The Delegation believed it was indispensable to take into account that proposal pointed out by the delegations of the Russian Federation and China in the current Program and Budget. The Delegation concluded by stating its aim to reassure the Committee of its willingness to contribute fully to the discussion of programs taking into account strategic objectives in the general action plan framework.

77. The Delegation of Malaysia congratulated the Chair and recognized the efficient way in which the Chair had been conducting the Committee's deliberations. The Delegation thanked and commended the Secretariat for the enormous task undertaken in preparing the Proposed Program and Budget for the 2020/21 biennium. The Delegation also congratulated WIPO on its excellent financial performance. The Delegation was pleased that the finances of the Organization remained healthy and continued to grow with a 7.1 per cent income increase foreseen for the next biennium. The Delegation was also pleased to note that despite the expected increase in revenue, expenditure was kept to 3.7 per cent, giving rise to about 116 million Swiss francs in surplus. The Delegation looked forward to exploring the proposals to use the budget surplus to fund three areas, namely enhancing IT systems to support the various filing services and WIPO premises, increasing WIPO's reserve target to

25 per cent and the biennial expenditure budget to fund long-term liabilities. The Delegation hoped to learn more about the proposed digital timestamping services. The Delegation expressed its pleasure that development considerations continued to be a priority for the Organization in the 2020/21 Program and Budget with 136 million Swiss francs allocated for developmental expenditure or approximately 18 per cent. The Delegation encouraged WIPO to constantly mainstream the DA Recommendations in its programs and activities and hoped that it could be more clearly reflected in the Program and Budget. The Delegation noted that, currently, the DA Recommendations were reflected in the implementation strategy only and that it hoped to see how they were also linked to the Expected Results. The Delegation commended WIPO's continued commitment to contribute to the realization of the Sustainable Development Goals, noting that although WIPO's contributions to the SDGs were multiple and diverse, that that was not very clearly reflected. The Delegation was of the view that Annex X provided only a very simple overview and did not do justice to the amount of work that WIPO undertook on the SDGs. The Delegation believed that reporting could be improved, including by linking Programs to specific SDG targets and hoped to learn more about how such contributions would be measured. The Delegation valued the various flagship reports and other publications produced by WIPO and commended WIPO in that regard, noting that those publications were always informative and useful. The Delegation hoped that sufficient funds would be provided for work in that area. In terms of normative work, the Delegation welcomed that funds were allocated for up to three diplomatic conferences in anticipation of a favorable outcome in the next biennium. The Delegation then referred to the Director General's remarks the day before on progress in multilateralism norm-setting and hoped that negotiations would progress well and that Member States could reach agreement in any of the mature areas of norm-setting to take the final step towards its conclusion. The Delegation noted that the Secretariat had taken efforts to increase gender and geographical diversity in the Organization, which had resulted in more nationalities, presently represented, and further encouraged WIPO to enhance efforts to make it a conducive and healthy organization. The Delegation concluding by stating that the growing demand for global IP services reflected the increasing importance that Member States put on innovation and intellectual property. The Delegation hoped that WIPO would continue to assist Member States in achieving that aim through value-added programs and international cooperation in innovation and intellectual property.

78. The Delegation of Australia thanked the Secretariat for preparing the Draft Proposed Program and Budget for the 2020/21 biennium for consideration by Member States and congratulated WIPO on the positive financial outlook provided in that document. The Delegation welcomed the continued transparency in the 2020/21 biennium budget, including with respect to the Lisbon Union. The Delegation continued to support the financial self-sustainability of the fee-financed unions and particularly encouraged the Lisbon Union to develop concrete solutions with clear timeframes to address the projected financial deficit.

79. The Delegation of India appreciated the Secretariat for the preparation of the comprehensive and detailed document on the Draft Program and Budget for the 2020/21 biennium. The Delegation appreciated the sound financial situation of the Organization and made the following points with respect to the draft Program and Budget. On Strategic Goal III, focusing on facilitating the use of IP and development, the Delegation noted that mainstreaming and integration of the DA Recommendations with the activities of WIPO was a must. While the implementation of CDIP-approved projects was a part of the Goal, increased emphasis on technical cooperation and building of capacities should be incorporated. The Delegation noted that, as the year 2030 was approaching in a decade, WIPO's effective role in achievement and integration of the SDG in its Programs would be vital. On Program 23, focusing on HR management and development, the Delegation felt that the figures on geographical diversity in the document did not seem to be balanced and proportionate. Hence, the Delegation requested the Secretariat to work towards rectifying that imbalance and suggested that an effective way would be to link Program 19

(Communications) with Program 23 to address that issue. Unless there was an awareness about IP and WIPO in general across the globe, the Delegation remarked that the imbalance would remain and the recruitment base would always be maintained. On Program 20 (External Relations, Partnerships and External Offices), the Delegation understood that the work of external offices needed to be integrated well with headquarters. The Delegation noted that it was important that geographical separation of external offices from Headquarters so as to avoid duplication of activities as well as proper functioning of those offices, which were set up to increase the Organization's reach and awareness across the globe. The Delegation then requested information from the Secretariat on Program 21 about creation of a program dedicated to the judicial administration of IP.

80. The Delegation of Sweden supported the statement made earlier by Canada on behalf of Group B and shared the intervention made earlier by Canada in their national capacity regarding the Rewards and Recognition Program that was about to be institutionalized and which had increased significantly in the proposed 2020/21 budget. The Delegation called for language that made it clear that if bonuses were to be paid, they should be for exceptional performances and not across the line.

81. The Delegation of France expressed its happiness to see the Chair chairing the Committee and ensured its support during the work. The Delegation thanked the Secretariat for the presentation of the Program and Budget, document WO/PBC/29/3. The Delegation then recalled its constant opposition to the unitary functioning of WIPO, in particular, the indirect costs being taken on by the Organization by the different unions according to their capacity to pay and that being questioned by a change in the methodology for the distribution of income and expenditures. The method for distribution of the budget by union was not new and had taken considerable time and energy, since 2015, both by Member States and the Secretariat. The Delegation further noted that there had been no consensus on the substance since then. The Delegation proceeded to put forward its position, noting that the Government of France believed that changing the distribution of income of the budgets by union was not appropriate. The Delegation further noted that the financial results from WIPO were excellent, as the Director General had mentioned the day before at the opening session. The Delegation questioned why consideration should be given to changing a methodology, which allowed the Organization to achieve those results. With regard to the requirements for the efficient management and effective transparency in the presentation of the Program and Budget, the Delegation remarked that all delegations shared in that. The Delegation believed that those were fully satisfied by the present methodology, and the contrary had still to be proven. The appropriate distribution of income was essential for the vitality of the Organization, that the unitary and solidary distribution was an essential element, which would be necessary to achieve the founding objective of WIPO to "promote the protection of intellectual property throughout the world," and "to ensure administrative cooperation among the Unions." The Delegation pointed out that Article 3 of the founding document of the Organization contained that. In conclusion, the Delegation, reminding the Committee that it had made the same remarks at previous Assemblies, stated that it would not accept that the unitary functioning of the Organization, in particular the taking on board of indirect expenses of the Organization according to the unions, according to their capacity to pay, would be questioned, as that was the reason for cooperation for developing countries and, for France, the basic cornerstone of WIPO.

82. The Delegation of Mexico noted the excellent financial results of the Organization, the fact that it had obtained increasing demands on its services and continued to appropriately satisfy the demand by the efforts and investments shown in the documents. The Delegation believed that the alignment of the Programs of WIPO was in line with the Sustainable Development Goals, which meant that the Organization could be in line with the rest of the United Nations System. The Delegation stressed the importance of the risk management that was proposed to the Committee and noted that it was important to ensure that the

Organization had accompanying measures that would allow it to tend to the levels of risk. The Delegation joined the statement made by Canada with regard to the Rewards and Recognition Program for personnel. The Delegation supported the proposal that they had put forward to ensure that that could be done in line with the merits of the personnel for very specific factors.

83. The Delegation of Egypt congratulated the Chair on his chairing of the Committee, thanked the Secretariat for the preparation of the Program and Budget for the 2020-2021 biennium, and commended the financial performance of the Organization. The Delegation aligned itself with the statements made by the Delegation of Uganda on behalf of the African Group. The Delegation supported the statements made earlier by the delegations of the Russian Federation, China and the UAE regarding the importance of extending the use of WIPO's official languages, including the Arabic language, in WIPO's official website. The Delegation noted that that would contribute to expanding access to WIPO services and products, which was considered one of the key goals of the Organization.

84. The Delegation of Canada referred to the personnel costs and planning assumptions on where it was noted that in order to enable the Secretariat to better manage and control overtime expenses, the estimated overtime costs continued to be budgeted in a separate provision in unallocated personnel. As the provision had been increased to 3 million Swiss francs in view of the introduction of flexible working arrangements, Canada sought additional information on the relationship between the requirements for an increased overtime budget and the introduction of flexible working arrangements.

85. The Chair thanked the delegations for the detailed question on the overview and passed the floor to the Secretariat to respond to the questions and issues raised.

86. The Secretariat thanked the delegations for their responses to the overview and noted that some of the questions were cross-cutting and others were specific to Programs. The specific Program-related questions would be handled in accordance with the Chair's approach. They would be addressed within those Programs, as the Committee would go through the document Program by Program. The Secretariat made a general comment on what the different provisions and planning assumptions meant in the Program and Budget, explaining that the Program and Budget was prepared almost three years in advance of the end of the next biennium. In that case, as was mentioned by the Chair, the Secretariat had advanced the preparation and it was a very compressed timeframe to prepare, so assumptions were made on a number of aspects. The Program and Budget figures were budgetary provisions based on the Secretariat's assessment of what had happened in the past, but also a very detailed and robust exercise that was undertaken by Program Managers, who outlined the design for the different Programs, the implementation strategies and then the key assumptions that underlined their own substantive activities. As mentioned by the Director General, that was a very detailed planning exercise. On the Rewards and Recognitions Program, that would be a topic that would be discussed in more detail under Program 23 because the overview simply provided some of the changes that were driving the overall increases in the Program and Budget. Questions related to the judicial training would be discussed under Program 21. For questions related to the digital timestamping, in addition to the Q&A, it was noted that there would be a presentation given later in the week. The Secretariat recognized that there were a number of delegations, in particular the Delegation of Japan and the Delegation of the Republic of Korea, who had mentioned prudence related to income estimates. The Secretariat explained that the current proposal was based on extremely prudent estimates. As mentioned by the Director General, the Organization based its income estimates on the Chief Economist's forecasts. The Chief Economist provided a base case, a high case and a low case of the estimated filing levels in the three main systems. The base case was taken as a matter of prudence, but in addition to that, from a financial perspective, the Controller applied another 3 per cent reduction on

that base case scenario, and the estimate of 888 million was then based on that fairly conservative number. Under the Overview and on page 9, there were detailed planning assumptions and more detail could be found in Annex IV. The Secretariat further noted that for each of the Systems, information related to the evolution of demand could be found under Annex IV. The other aspect highlighted for delegations was that the overall income and expenditure of the Organization was very closely and very tightly monitored through the work that was carried out under the Risk Management Group (RMG), which was chaired by the Director General. It was further noted that the income from the global IP systems were the financial foundation of the Organization, and that, therefore, was very tightly monitored throughout the year. The Secretariat continued to explain that the Organization held RMG meetings on a quarterly basis and that the Chief Economist also updated estimates on a quarterly basis. When addressing the questions related to the expansion of languages, the Secretariat explained that the WIPO language policy was approved by Member States in 2011 had been fully implemented by the Secretariat. The implementation had been completed in 2017. It was further explained that work had been undertaken under the Madrid program in terms of the expansion of languages for the Madrid System. That would be discussed in the working group in July. Similarly, there were comments made on the website related to languages that could be discussed under Program 19. The funding for the Development Agenda projects, which had already been approved by the CDIP, were an integral part of the project proposal for 2020/21 and in each Program and Budget. Those projects, which might be approved in late 2019 or in 2020, were not in the Program and Budget. The Secretariat explained that the mechanism that had been approved by Member States back in 2010 foresaw that those would be catered for, to the extent possible, through efficiencies and cost savings in other Programs or that they would be included, depending on the timing, in the next Program and Budget. The Secretariat would make resources available through savings and cost efficiencies. The document referenced, which was a budgetary process applied to projects proposed by the CDIP for the implementation of Development Agenda Recommendations, was document WO/PBC/15/6 Rev. Regarding the question on how to clearly identify the development orientation of WIPO's activities and whether that could be provided in a graphical format, the Secretariat recalled that the Program and Budget was built up at various levels and had various views, one of which was the Expected Results view. The Secretariat pointed out that the on page 11 of the document, the table included, for each of the Expected Results, the total estimated budget, the development share, the estimated development share or development expenditure for each of the Expected Results. It was further pointed out that the aforementioned table provided a very good overview of all the Expected Results that included a development component, supplemental to that Expected Results view, included a Program view. From a development expenditure perspective, the summary program view was provided in table 6 on page 24 of the English version. That table included a summary of all the Programs with a development orientation and included their estimated development expenditure. Regarding the external office network, the Secretariat confirmed that an amount had been provided, similar to the other aspects such as diplomatic conferences or the opening of new offices. An amount for the evaluation, subject to the Member States' decision on how such an evaluation would be carried out or what the scope of such an evaluation would be, was included. The amount was placed under unallocated funds and had not been allocated to any Program. Once a decision would be made, it would be transferred to the relevant Program that undertook or facilitated that evaluation. With regard to Development Agenda Recommendations, the Secretariat explained that there were different types of recommendations, some of them were general principles and most of them, should be implemented through a process, which was usually a project. The way to implement those recommendations was to develop that project, usually upon request of the Members. It was further explained that mainstreaming the recommendations depended on the outcome of those projects. The type of outcomes were guidelines, manuals, specific studies for specific issues, databases, methodologies, requests of training, and so forth. In practical terms, there was some elements that were at

the disposal of Members to be used like manuals, studies, and so on, while others required some sort of process with the Member State that depended on how it requested a specific activity, *vis-à-vis* that outcome of the project. The Secretariat continued to explain that those activities were part of the work plans or the work programs for the years after the project. Others entailed the creation of some internal institutions, for instance, if a database were created, it would require staff and money to continue to implement that database, as was the same with the TISCs, another element that came out of those projects. It was further noted that trainings were implemented through the Academy and Distance Learning courses and new types of training were developed every year through the Academy. With regard to remarks about the SDGs, the Secretariat noted that, as compared to 2018/19, the Organization had gone one step further in the current year to consider, on a Program-by-Program basis, the link that existed between WIPO's activities and the SDGs as defined in 2015 by the United Nations. It was noted that it had been a meticulous effort. The Secretariat further explained that, since no direct reference to the SDGs were found in the indicators and the targets in the 2030 Agenda, the Organization was limited, as was done for the development committee of 2018, to develop a mapping and overview of all activities. The Organization tried to establish those links with the SDG goals, with a consideration of the different indicators contained in the 2030 Agenda. It was underscored that minimal detail would be found in the Program and Budget for 2020/21 because of a wish to streamline and to be efficient in presenting to the CDIP an exhaustive report. In 2019, it would cover, in greater detail than the previous year, all of the activities and programs that the World Intellectual Property Organization undertook and which were either directly or indirectly linked to the Sustainable Development Goals. The delegates were then referred to the document of the CDIP, which had been disseminated for the meeting to be held two weeks after. In addressing the question of how to assess or evaluate the impact of WIPO's programs in terms of the attainment of the SDGs, it was noted that that issue was one which the United Nations itself and all Member States were confronted with, both nationally and internationally. The indicator status had been adopted in 2017, and they were constantly being revised and updated. The Secretariat noted that WIPO was closely following the work of the Inter-Agency Expert Group of the United Nations on indicators for SDGs. It was then recalled that there were no indicators on intellectual property and the impact of IP on the SDGs, noting that WIPO had sought up until present to establish that link through performance indicators of WIPO. It was further recalled that there was a major annex, which had been worked on extensively the previous year, to present to Member States a graph presenting on the basis of Strategic Goals of WIPO, all of the Programs that contributed to the achievement of SDGs through a link that had been created with the WIPO performance indicators. The Secretariat acknowledged that it had not been a perfect job but that attempts had been made to create something with the very specific indicators that assess the true impact of WIPO and the contribution made by WIPO to the achievement of the SDGs, which was a difficult and complicated task. It was further noted that careful consideration would be given to any comments or suggestions that Member States had along those lines. Regarding the comment raised by the Delegation of Malaysia about the importance of linking WIPO's Programs and the targets of the SDGs, the Secretariat stated that that was an exercise that the Organization had been engaged in in terms of thinking it through. Internally, it had been taken up with all of the appropriate units to see how the link with the specific targets falling under the SDG framework could be better reflected in WIPO's upcoming publications. Further elaboration on that and presentation on the results of work done would be in the near future. Concerning the Delegation of Pakistan's comments on the establishment of an innovation division, the Secretariat explained that the Program and Budget did not concern itself with the internal organization structure of how the different units were structured. Increasingly, as the Organization had moved towards results-based management, with a set of organizational Expected Results, multiple Programs had to coordinate and collaborate to deliver results for the Organization. The Secretariat commented that there was a lot of coordination and cooperation required, not just for

innovation, but for all cross-cutting themes of the Organization. The Secretariat recalled that the implementation strategies and the internal organization structure was a matter of determination by the Chief Executive or the Director General. With regard to the union allocation methodology, the Secretariat reiterated that the methodology and the capacity to pay principle had not changed, explaining that when the capacity to pay principle was applied, which was actually a formula, what turned out at present and for the first time was that a majority of WIPO's unions fell out of the bracket of being able to pay. In that context, a draft proposal had been made to the delegations for consideration that each of those unions that do not have the capacity to pay make a nominal contribution towards common expenses. Those contributions amounted to 1 per cent of the projected income of those unions as described in the document. In terms of amount, it translated to 7,700 Swiss francs for Lisbon Union, 133,000 Swiss francs approximately for the Hague Union and 361,000 Swiss francs approximately for the Contribution Financed Unions. The Secretariat reiterated that the capacity to pay principle had not been changed, noting that once the formula was applied and no capacity to pay resulted for three unions, which formed the majority of the unions, the proposal was put forth for Member State consideration.

87. The Delegation of Indonesia requested one clarification on the last point that the Secretariat had answered on the union allocation methodology. The Delegation understood that the capacity to pay principle had not been changed and that it had been applied and that for the first time the Member States were faced with the proposal from the Secretariat that, for unions that do not have the capacity to pay, have to set aside 1 per cent of their revenue for the indirect cost. The Delegation requested the Secretariat to explain the underlying reason behind the idea of having those unions that do not have the capacity to pay to set aside 1 per cent.

88. The Delegation of the Russian Federation, in supporting the comments made by a number of delegations on languages, proposed to expand the publication coverage in the official languages of WIPO. The Delegation supported the initiative taken by the Secretariat to further work on that issue as part of the discussion of Program 12. The Delegation pointed out that the question was a matter of not just the website of the Organization, but also publications of WIPO, analytical handbooks and methodological materials. The Delegation noted that, at present on the official WIPO site, among the most recent publications, about 66 publications were in English, while 17 publications had been translated into Russian and Arabic and 21 publications had been translated into Chinese. In that context, the Delegation called for a reflection of the question of expanding content in official languages under Strategic Goal IV on expanding access to information and Strategic Goal V, on statistics and analysis. The Delegation was prepared to engage in further dialogue on specific Programs, noting that more would need to be spent on those issues. The Delegation welcomed the implementation of the language policy of WIPO adopted in 2011. The Delegation noted that it would be necessary to include, in the draft Program and Budget, specifically measurable indicators that would reflect the actual current factual situation relating to the translations of WIPO publications in different formats into all official languages.

89. The Delegation of Pakistan expressed its gratitude to the Secretariat for its response regarding the innovation-related aspects suggestion. The Delegation requested the Secretariat's further guidance, if the PBC was not related to how divisions work and how they coordinate with each other, as to which would be the appropriate committee to raise this issue.

90. The Secretariat, in responding to the Delegation of Pakistan, clarified that it had not stated that the PBC was not concerned with how the Organization works, but that the Program and Budget proposal did not specify structures or divisions that were actually implementing the program strategies and the different programs of the Organization. It was further explained that internal structure was the determination of the Chief Executive and that

the Director General decided how different units needed to be set up and managed in order to contribute to the Expected Results of the Organization. The program view provided the content in terms of what the implementation strategies were, what the results to be implemented were, and the how they were to be implemented. Since several units laid behind 31 programs, the Secretariat clarified that it was not one unit corresponding to one program. There was a multiplicity of units and a complex organization structure behind the programs that work together to deliver the results.

91. The Chair noted that the question from the Delegation of Russia on official languages would be addressed by the Secretariat under Program 27. The question from Uganda on behalf of the African Group on exceptions and limitations and copyright would be addressed by the Secretariat under the discussion on Program 3. The Chair then passed the floor to the Delegation of the UAE.

92. The Delegation of the UAE echoed the remarks made by the Delegation of Russia and pointed out that the language barrier was not only in Program 27 but that it was a cross-cutting issue for printing, as mentioned by the Secretariat, for Program 19 and other programs. The Delegation stressed that that should be included in other Programs other than Program 27.

93. The Chair invited the Secretariat to respond to the question.

94. The Secretariat thanked the various delegations who took the floor on the language issue. It was recalled that that was quite a complex and complicated issue, which was dealt with in 2011 and had taken a number of years to get to the end of the first phase of that language requirement, to address those language requirements. At present, it was noted that various program areas had been mentioned including those responsible for publications and websites. Program 27 was one aspect of it. Program 19 was another aspect of it. Before responding, a quick discussion would be had between the Program Managers of the program areas concerned so that a more comprehensive answer could be provided.

95. The Chair, noting that there were no further requests for the floor, proceeded to open the floor for discussions on Program 1, Patent Law.

96. The Delegation of Argentina thanked the Chair for his effective and efficient leadership. The Delegation pointed to a number of items listed under the implementation strategies. The Delegation noted the positive development highlighted in the third bullet, on the ratification and the full implementation of the Paris Convention, the Budapest Treaty and the Patent Law Treaty as a very positive development. The Delegation asked whether it would not be better to also include the ratification of other international treaties, for example, the Lisbon System and the Geneva Protocol.

97. The Delegation of the United States of America, in regard to Program 1 and referring to page 175 of Annex III, noted that the Madrid Union was contributing 175,769,000 Swiss francs, the Hague Union 1,351,000 Swiss francs, and the Lisbon Union 79,000 Swiss francs. The Delegation inquired how these amounts were determined or calculated.

98. The Delegation of Brazil expressed its appreciation that the activities of the Standing Committee on Patents (SCP) under Program 1 had progressed adequately in a balanced and consistent manner. The Delegation noted that the table on page 29 of the English version showed a great increase in individual contractual services (ICS) and other contractual services. The Delegation asked for the reasons behind that surge and what were the activities of service that were being provided under those resources. Furthermore, the Delegation also highlighted that the two indicators under Expected Result I.2 had targets well below the baselines and that the results of the baselines were very positive. In this context,

the Delegation asked if the targets could be a bit higher to take into account that it had maintained a high level of service provided by Program 1. The Delegation also asked for additional information from the Secretariat regarding the international conference on trade secrets that was being planned for November 2019, namely if it had been discussed at the SCP and what was the underlying rationale for the organization of this conference.

99. The Delegation of Uganda, speaking in its national capacity, stated that it placed great importance on the work of the SCP. Turning to page 28 of the English version, the Delegation noted that under risks and mitigation, the risk that had been identified where the Organization probably had the lowest risk appetite had reduced relevance of the standing committee on the law patents as a multilateral normative forum. The Delegation requested clarification as to how the Secretariat came up with this risk.

100. The Delegation of China expressed concern about the Strategic Goal I. The Delegation expressed its opinion that WIPO would continue to play a leading role in that aspect but were pleased to see that WIPO had allocated resources to the possible diplomatic conference in order to allocate more budget to the Beijing Treaty and other treaties. The Delegation encouraged Member States to accelerate the process to join the Beijing Treaty so that it would come into force as soon as possible. The Delegation also appealed that the traditional knowledge and the geographical indication discussions would yield positive results. The Delegation would actively participate in the diplomatic conference discussions and hoped that that work would achieve positive results.

101. The Secretariat took the floor to respond to the questions on Program 1. On the question from the Delegation of Argentina with respect to the Lisbon System and Geneva Act of the Hague Agreement, the Secretariat noted that those treaties were under different Programs and would be addressed by the respective Program Managers. The Secretariat echoed the statement made by the Delegation of Argentina, and expressed its great appreciation to the immediate past Chair of the SCP for his capable leadership and guidance, which had led to successful outcomes of the Committee. On the question regarding the risk factor raised by the Delegation of Uganda, the Secretariat explained that there had been instances in the past several years in which the Committee had been at loggerheads and unable to agree on a way forward on its program of work. Fortunately, under the guidance of the Chair from Argentina, those tensions had largely resolved themselves and the Committee was now able to work in a much more productive way. That was one of the reasons for an increase in the budget for Program 1. The Secretariat explained that while the biennial budget in prior years had provided three sessions of the SCP, because of the difficulties in the Committees on finding a way forward for its work, the number of SCP sessions was proposed to be raised to four sessions, so that there would be two meetings of the SCP each year for both years of the biennium. The Secretariat observed that the risk that the relevance of the SCP might be drawn into question seemed to be resolving itself as the Member States were finding common purposes on the agenda of that Committee. It noted that such a positive development was part of the reason that there was an increase in the budget for Program 1. With respect to the questions raised by the Delegation of Brazil, the Secretariat was grateful for the active participation of the Delegation of Brazil in the SCP on many different topics. In addition to the most significant proposed increases previously mentioned, i.e., budgeting for a fourth session of the SCP, there were several additional programs and projects being carried out under Program 1, which would require some additional resources, all of which were non-personnel resources. The first was the implementation of the patent drafting accreditation program. The Secretariat explained that the Program was expanding patent drafting training activities in the last biennium as a consequence of increased demand from the Member States, particularly in support of the Development Agenda. It was further noted that, in 2017, there were 19 workshops on patent drafting at the regional and national levels and 17 workshops in 2018. The Secretariat clarified that the program of work for 2019 reflected the same level of activity, and an

international patent drafting program would be added in 2020. That was in response to the demands of many countries for assistance from the Organization in improving the patent drafting skills of their people. The Secretariat further stated that the Program was facing a very substantial uptick in requests for the provision of legislative and policy advice from the Member States. In order to be responsive to those requests, the Secretariat explained that the Program would not be using additional staff at WIPO, but would experiment using external experts who would be entering into contracts with the Organization to provide a first take at legislative drafting and advice to the Member States. This would then be reviewed by the Secretariat, which would offer its comments to Member States on their proposed national legislation. That was reflective of the proposed increase in individual contractual services to support the legislative and policy advice function. In addition, the Secretariat noted that another increase in the budget was a consequence of the Inventor Assistance Program (IAP), which had been implemented in cooperation with the World Economic Forum, to try to match inventors in developing and least developed countries with lawyers who would be willing to provide pro bono assistance in the preparation of patent applications and the prosecution of patent applications through the international system. The IAP had been expanded to five countries. Since there had been an increase in the number of inventors asking for assistance and the number of patent attorneys who were willing to provide pro bono assistance, the Program would be building an automated tool which would help facilitate the work of the Secretariat in supporting the IAP and in providing activities in the capitals of those five countries that were participating in that program. The Secretariat took on board the comment by the Delegation of Brazil about the need to aim higher on the Program's targets for the expected results and performance indicators. With respect to the international conference on trade secrets and innovations, which was to be held in November, the Secretariat confirmed that no discussions had been held on that topic in the SCP. It was recalled that the topic of trade secrets, or protection of confidential business or technology information, had been part of the activities of Program 1 for many years, although the Secretariat had not been very active in that area (there had been one regional seminar held during the last couple of years on that particular topic, focusing on trade secrets, patents and innovation, looking at the topic from the innovation perspective). The Secretariat, however, observed that the topic had been drawing some attention in the IP communities during the recent years. The Secretariat was of the opinion that that would be an opportune time to look into those issues, without any kind of agenda or suggestions on the future activities in that particular area, but more of a stocktaking exercise and to have some comprehensive discussions and gathering of information on that topic, together with the Member States. In respect of table 13, the Secretariat announced that it was not thousands of Swiss francs, but was in Swiss francs. It further noted that there was a list of six corrections, which had been distributed.

102. The Delegation of the United States of America, following up on a question that it had previously asked, asked if the Secretariat's response would be addressed when discussing Annex III and if the Program Manager for Program 1 would come back down.

103. The Secretariat took the floor again and clarified that the Draft Program and Budget had three distinct views. It had a results-based view, the program view and the union view. The union view was developed as a result of applying the union allocation methodology. The contribution under table 13 are the different union's contribution towards the expenses of the different programs. This was a result of the application of the union allocation methodology. That would be explained in the discussion of Annex III. This did not concern the program managers. Program managers were responsible for the design, development and delivery of their programs. Programs were cost-centered and only had expenditure associated with them. The income of the Organization was dealt with separately and mentioned in the financial overview, the union allocation methodology and the presentation of the budget by union. The Secretariat reiterated that that did not concern Program 1 and that if the same

question were applied to all other Programs, that would be related to the application of the union allocation methodology for income and expenditure of the Organization.

104. The Delegation of the UAE requested clarification on the risks and mitigation actions, noting that the second pillar for mitigation actions of the last biennium had been removed from the mitigation action table. Namely, the Delegation asked about the provision of timely, accurate and substantive information to Member States.

105. The Secretariat acknowledged that the second pillar had dropped out and that it would be put back in. The Secretariat thanked the Delegation of UAE for pointing it out and noted that it would be restored to the framework, as it was very important.

106. The Delegation of the United States of America inquired about the outsourcing of staff for the legislative analysis and how that would be conducted.

107. The Secretariat explained that the number of requests received from Member States to provide assistance in drafting or refining their national IP legislation in order to be able to meet their treaty commitments that they either already had accepted or that they were considering joining, involved a very considerable volume of work. The Secretariat further noted that the Organization provided assistance to Member States in drafting national IP strategies in respect of patents. That work continued to be highly demanded. The Secretariat explained that the Organization had unfortunately developed a backlog in the ability to be responsive to Member States. The Secretariat noted that it had been bumping up against the personnel ceiling, and that Member States had decided not to increase the staffing envelope by any significant amount for several biennia. Consequently, the choice was either to ask for additional posts in the upcoming biennium budget, which was very difficult in that constrained environment, or to continue, as an experiment, retaining two consultants who were eminent professors and practitioners of patent law. They were to be invited to help do the first draft of some of the legislative assistance requests received. That would then be reviewed by the staff of the Patent Law Division to make sure that the comments to be sent to the Member States would be of high quality. That experiment would be done in 2019. The Secretariat noted that if the quality of work was satisfactory and it could be done with reasonable costs, it would allow the Organization to meet the Member States' needs without asking for additional permanent staff posts. If it did not work, the Secretariat noted that it might ask the Member States to reconsider that approach.

108. As there were no further comments on Program 1, the Chair proceeded to open the floor for discussions on Program 2, Trademarks, Industrial Designs and Geographical Indications.

109. The Delegation of Brazil thanked the Secretariat for the support in conducting the work of the Standing Committee on Trademarks (SCT), noting that it was a very important committee for Brazil and also the other countries. The Delegation had been able to have rich and informative discussions there. The Delegation expressed hope that first, an agreement could be reached for the conclusion of the Design Law Treaty (DLT). The diplomatic conference for agreeing on the DLT would be a strong sign to the international system that WIPO was able to advance in its normative agenda. The Delegation would like to support that goal and hoped a compromise could be reached by the end of the 2019 General Assembly. The Delegation mentioned activities related to ICANN discussed under Program 7 and recalled that the SCT was discussing aspects of the protection of domain names on the Internet. The Delegation stressed the importance of having Member States discuss it at the Committee, as the management of trademark and geographical indications was substantially affected by the Internet. The Delegation also noted that in Program 2, there was a deletion of the mitigation action on page 31 of the English version. It was similar to the language in Program 1 on patents, and the deleted mitigation action was about the

provision of timely, accurate and substantive information to Member States. The Delegation requested to reinsert the deleted mitigation action back into the document. The Delegation was of the opinion that it was important to provide guidance and information to have technical and substantive discussion at this Organization.

110. The Delegation of Canada noted that throughout section 2, program narratives by Strategic Goal, the Secretariat provided very helpful tables outlining the general resources by cost category for each of the WIPO Programs. Of particular interest were how the tables illustrated how the proposed 2020/21 budget compared to the 2018/19 approved budget as well as the 2018/19 budget after transfers. Canada further noted that in a number of areas under the tables in section 2, there were notable deviations between what was proposed under the 2020/21 budget from what was approved under the previous budget as well as the 2018/19 budget after transfers. Canada requested the Secretariat to provide additional details for the increased or decreased resources proposed in areas that were not already outlined in the documents and for where the changes included strong deviations, for example, plus or minus 20 per cent from the 2018/19 approved budget and budget after transfers. The Delegation noted that that was illustrated in a number of Programs. For the purposes of Program 2, the Delegation pointed to individual contractual services.

111. The Secretariat took the floor to address the two questions from the Delegations of Brazil and Canada. With regard to not mentioning all of the mitigation actions, the Secretariat's previous remarks with regard to Program 1 was equally applicable to Program 2. On a more general line to provide some background, the Secretariat referred to the workload in terms of providing legislative advice to Member States. Depending on the number of incoming requests and the resources available to respond to those requests, the Secretariat assessed the risk of not providing responses within a sufficiently acceptable timeframe. That was being discussed internally with the Office of the Controller, especially in risk assessment and mitigation actions. The Secretariat noted that this was more a question of how to illustrate that risk in the overall Program and Budget document, taking into account the horizontal approach rather than not being aware of it or having mitigation actions. Having discussed it internally, and on the understanding that there was a demand from the Committee, those mitigation actions could easily be inserted into the document. With regard to the very specific question concerning a proposed 230 per cent increase of individual contractual services in Program 2, namely the question by the Delegation of Canada, the Secretariat noted that this increase was over the budget approved in 2018/19. The Secretariat observed that for the current budget, Program 2, like Program 1, had experienced a certain demand for legislative advice activities, which was met through outsourcing some of the services, which in turn resulted in an increased amount in contractual services. That explained also the increase in the amount of contractual services in the budget after transfer. Bearing in mind that this was a potentially ongoing activity, the Secretariat had budgeted for it, as well as budgeting for the implementation of one Development Agenda project that had been approved, namely the project on IP and gastro tourism as proposed by the Delegation of Peru. That project would eventually necessitate the conclusion of individual contractual services with consultants on the ground in the four countries that implemented that project. Consequently, an increase in the amount of individual contractual services was proposed. In conclusion, although an increase of 230 per cent seemed high, the increase over the budget after transfers was much smaller, and it reflected the currently experienced and anticipated need for contractual services in the two areas described.

112. The Chair noted the suggestion by Brazil to put back in language that had been in the previous budget around providing timely information. The Chair then called for the delegations to respond if they did not think it was the right course of action.

113. The Delegation of the UAE reiterated their position on Program 1 and called for consistency throughout Strategic Goal I. The Delegation supported the request from Brazil to reinsert the mitigation action for Program 2.

114. As there were no further comments on Program 2, the Chair opened the floor for discussions on Program 3, Copyright and Related Rights.

115. The Delegation of Indonesia requested a number of clarifications. From page 34 to page 38 of the English version of the document, the Delegation noticed that the Expected Result III.1 was now zero. The Delegation understood that it might be shifted to Program 9. The Delegation noticed that in Program 9, the allocated budget was less than the 2018/19 biennium for III.1. The Delegation questioned, if there were a shift to Program 9 on national IP strategies and planned dissemination of development objectives, how would there would be less allocated budget. The Delegation reiterated that if that would be the explanation on why there was zero allocated budget under the Program 3 on national IP strategies shifted to Program 9, the budget for Program 9 was actually less than that biennium on the Expected Result III.1. On Expected Result III.2, page 35, the targets for III.2 would be 24 countries in 2020 and 2021; however, the Delegation observed that the proposed budget for the 2020/21 biennium was even lower than the budget after transfer for the biennium 2018/19 for Expected Results III.2 under Program 3. The Delegation inquired if the human resources capacities would be enough to cover the targets for the 2020/21 biennium. The Delegation welcomed the increase for Expected Result III.4. As regards Expected Result VIII.1, the Delegation understood that it was zero because VIII.1 might have something to do with Program 19 (Communications). The Delegation noted that it had reviewed all the performance indicators of Program 19 and that those performance indicators had more to do with the brand reputation of WIPO as an Organization but nothing on the communication of IP or copyright to the public. The Delegation requested clarification on how the Organization would do communication about intellectual property itself or copyright to the public when Program 19 performance indicators were focused mostly on the brand reputation of WIPO as an international organization.

116. The Delegation of Guatemala, speaking on behalf of GRULAC and in its national capacity, noted with pleasure, the positives under number 4. Implementation of resources for that type of project was of great benefit to the Group. However, the Delegation had concerns with regard to some situations that were raised and concerns raised by Indonesia with regard to areas where there had been zero budget allocated. The Delegation requested clarification as it considered the issue very important. Under Expected Result I.1, the Delegation observed that that was a decrease with regard to the previous budget. It then noted that that many of the Members were implementing their norms and treaties and it was important to have specific resources for that.

117. The Delegation of Brazil supported the statement made by Guatemala on behalf of GRULAC. The activities of the Standing Committee on Copyright (SCCR) had been very successful during the current biennium, and the Delegation hoped that the trend could continue in the next biennium. It was noted that the negotiations of the broadcasting treaty had advanced after a long period of stalled negotiations, and the Delegation hoped that it could have a diplomatic conference in the next biennium as well. The Delegation then noted that the effect of digital technologies on copyright had been discussed in the SCCR and that was not a new topic. The WIPO internet treaties were from the 1990s. The constant pace of technological development had led to a change in the distribution of content, which now largely relied on streaming instead of the reproduction of words. Following the GRULAC proposal, the discussions at the SCCR had included the topic of the digital environment, and hoped that the next biennium could continue to produce studies to inform delegates in their internal discussions. The Delegation also mentioned that the Marrakesh Treaty was the fastest growing treaty in the history of WIPO and hoped that it could become fully multilateral

in the future, since it was those individuals who greatly needed a treaty in order to have access to adapted works. The Delegation stated that it, thus, fully support the promotion of the ABC Consortium and its further development. The Delegation noted that Expected Result III.2 mentioned that the baseline was of 6,610 educational titles produced by the Consortium. The Delegation commended that result and inquired how many of the books available were accessed, in particular in developing and least developed countries. The Delegation noted that Expected Result III.1, along with its indicators, were no longer available under Program 3. The Delegation understood those to be moved to Programs 9 and 10. The Delegation inquired how assistance on copyright strategies were being provided by the Copyright Law Division or unit under the direction of the Director General in coordination with Programs 9 and 10; how they envisaged the implementation of that strategy with regard to copyright in the biennium. The Delegation recalled that digital technology had been substantially affected. Copyright in a number of countries were doing the work of modernizing the copyright legislation. It was important that the Deputy Director General and her team participated in those discussions, as they were very complex and technical.

118. The Delegation of the UAE shared the same concerns pointed by the Delegations of Indonesia, Guatemala and Brazil for the Expected Results III.1 and requested clarification from the Secretariat in that regard. The Delegation also requested clarification for Expected Results the III.4, as mentioned in the table in Program 3 on page 36. There was no allocation for that Expected Result. The Delegation understood that it could have an issue with the transfer of responsibility of WIPO Connect to Program 15. The Delegation also mentioned that a performance indicator of that Expected Result was removed and not reflected in Program 15. In addition to Program 15, there was a risk about the lack of access of technical and probability information held by relevant stakeholders, cited in Program 15, whereby the mitigation to invite relevant stakeholders to participate in WIPO Connect. The Delegation inquired if that risk and mitigation action was also relevant to Program 3.

119. The Secretariat took the floor to respond to the questions posed by the delegations. The Secretariat noted that the first question reiterated by a number of Member States related to the National IP Strategies and plans consistent with national development objectives. In Expected Result III.1, there was no more budget allocated. The input of Program 3 in National IP Strategies and plans did not appear under Expected Result 3.1 for the sake of consistency and clarity of the respective rules of the different Bureaus and Program 3. The Secretariat would continue to design and implement the copyright component of the National IP Strategies, which were included under Expected Result III.2 and III.4. The Secretariat discussed that new approach with the Bureaus, which the Secretariat believed would better service the interest of the Member States, but in no way represented an abandoning of that duty from the Copyright and Creative Industries Sector. The Secretariat pointed out that between Expected Result IV.2 to IV.4, the reallocation of the budget from IV.2 to IV.4 and the increase of the budget of IV.4 reflected an effort to bring more efficiencies and clearance in the cooperation program related to the management of rights in the digital era. That included closer cooperation as well with Program 15 concerning the deployment of WIPO Connect. In response to a question from the Delegation of China about the Beijing Treaty, the Secretariat noted that for the current biennium, it had devoted significant human and financial resources to the promotion of the Beijing Treaty and planned to continue to do so in 2020/21. The Secretariat had seen the result from those efforts in an increased rate of adherence to the Beijing Treaty as WIPO was close to the threshold of 30 for the treaty to enter into force. The Secretariat hoped to increase the current 26 Member States to 30 before the end of the year. The Secretariat noted that it planned to continue its support to Member States as they sought to join the Beijing Treaty and to implement it in their national copyright legislation. It was further noted that there had been an increase in the budget for that type of assistance for the next biennium. Regarding the issue of resources for a diplomatic conference related to exceptions and limitations, the Secretariat explained that a significant amount of work had

been underway in 2019 on the exceptions and limitations to implement the action plan adopted by the SCCR in 2018. That included three regional meetings, an international conference to be held in 2019, as well as multiple expert studies on all the fields related to this item. Substantial human and financial resources had been allocated to support that work. As for the 2020/21 biennium, it was foreseen that the Committee would consider the outcome of those endeavors at the next SCCR meeting in October 2019 and decide on the next steps, which could foresee a range of options, including work on an international instrument in whatever form. Regarding the question from the Delegation of Guatemala regarding the apparent decrease in the budget for Expected Result I.1 (Enhanced cooperation among Member States on development of a balanced international normative framework), the Secretariat pointed out that the 2020/21 proposed budget was higher than the approved budget for 2018/19. The budget for 2018/19 was higher after transfers. Part of that reflected the Secretariat's request in 2019 for further support for the work of the SCCR because there was a very ambitious schedule of regional meetings and a conference for which additional support was received. The additional support was reflected in the higher number in the middle column, but, in fact, there was an increase between the current biennium and the next biennium. The Secretariat explained that the zero budget allocated to line VIII.1 on communication reflected the fact that Communications was transferred under the Director General's indirect control. The Secretariat understood the concern from the Delegation from Indonesia and would think about the need for information regarding the Copyright Sector. The Secretariat noted that it was a very relevant issue and hoped it answered that kind of concern already by its different activities made as well on the bilateral, regional or international levels.

120. The Delegation of Brazil thanked the Secretariat for the useful clarifications and took due note. The Delegation especially noted the clarification regarding Expected Result III.1. The Delegation inquired if the activities would be redirected to Expected Results III.2 and III.4. The Delegation also asked if that information could not be in page 36, resources for Program 3, explaining why the amount was zero. The Delegation noted it would be useful for everyone to read that and see that, despite the amount being zero, the activities would not be discontinued. It would assuage concerns of everyone and would send a clear signal that WIPO continued to be engaged in that kind of activity.

121. The Delegation of Indonesia supported the assertions by Brazil noting that it would be very useful and relieving for the delegations to know that Program 3 would still do the useful, very excellent work on what they had been doing in the past biennium and in the current biennium. With regard to IV.2 and VIII.1, the Delegation noted that it would be more relieved if it reflected under resources for Program 3, wording to explain why the amount was zero and that the Secretariat would still do information and public dissemination with regard to copyright and intellectual property in general. The Delegation stressed that the position of the Deputy Director General of Copyright and Creative Industries was very important. The Delegation acknowledged that there would be a lot of events and activities that could only be channeled to copyright and creative industries and could not be thrown towards another department. The Delegation wanted to make sure that the activities under Expected Results IV.2 and VIII.1, the Programs would still be available for Member States.

122. The Delegation of Guatemala thanked the Secretariat for the explanations given. The Delegation joined the Delegations of Brazil and Indonesia in asking for a note to be made within the Program, noting that creative industries was a topic of great interest for the GRULAC region. The Delegation, therefore, felt that it was important to have a reference that indicated and clarified that that topic had not actually been lost but was just being worked on within different Programs of the Organization.

123. The Delegation of the UAE thanked the Secretariat for its clarifications and supported the Delegation of Brazil's suggestion as well as the Delegation of Indonesia and the Delegation of Guatemala's statements.

124. The Chair surmised that the delegations were broadly happy with the Program, subject to some wording and reassuring that the activities were not being cut in the budget noting further that the activities continued as a result of the changes that were moving amongst the various lines. Secondly, Brazil had an outstanding question on the number of books under the Accessible Books Consortium (ABC), the number of titles that were used. The Secretariat would respond on that point. The Chair thanked the Secretariat for its clarifications and moved on to Program 4.

125. The Delegation of Brazil agreed that Program 4 was adequate as it stood, and cited the outstanding work that was done by the Secretariat. The Delegation noted that what was done by the TK Division under the direction of the Director of the Division and the Assistant Director General had also undertaken a very good job. The Delegation mentioned that at the next session, the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) would discuss a recommendation to the General Assembly on its work. The Delegation hoped that a diplomatic conference would be agreed in the next biennium, noting that the topic was very important not only to Brazil, but also to other countries including major developing countries. The Delegation hoped to reach an agreement that was balanced, took into account the concerns for everyone, and made it predictable on the requirements for the disclosure of origin, as that would be necessary to grant adequate resources for that area. The Delegation noted that there were unallocated resources that included the provision of 1 million Swiss francs in case the Delegation agreed to have a diplomatic conference.

126. The Delegation of Indonesia noted that the budget of Program 4 was adequate as it stood. The Delegation supported the Delegation of Brazil's statement on the work and performance of the TK Division under the Deputy Director General Minelik and the Director and also on the way forward for the discussion under the IGC on IP.

127. The Delegation of Uganda supported the statements by the Delegations of Brazil and Indonesia. The Delegation noted the progress that had been achieved in the IGC and thanked the Deputy Director General and Director for the work done for the TK Division. The Delegation emphasized the need to allocate sufficient resources and further noted that the General Assembly was here to agree on a new mandate. Thus, the Delegation needed to ensure that sufficient resources would be provided for in a number of sessions that would be agreed by the General Assembly.

128. In response to the comment made by the Delegation of Uganda, the Secretariat clarified that the level at which the resources had been budgeted was exactly the same as the current biennium. In accordance with the guidance by the decision of the Assemblies, resources would be made available to Program 4 as needed. It was important to know that for Program 4, there were two types of work, the IGC sessions and the capacity building work. If there were more sessions, then typically there was somewhat less capacity-building work that was undertaken. If the Program level resources were not adequate for the additional sessions, if so decided by the Member States, then those would be made available from unallocated resources.

129. As there were no further comments from the floor, the Chair moved on to Strategic Goal II, Program 5.

130. The Delegation of Switzerland welcomed the implementation strategies proposed seeking to continue to improve the PCT System, including with regard to splitting and sharing

tasks between different Offices and the cooperation between the International Bureau and the Offices. The ePCT system was an important tool in that regard. The cooperation was particularly important in view of the support that the International Bureau could give to receiving Offices and International Authorities (IAs) in order to improve the quality of products provided. The Delegation noted that it was also happy with the emphasis placed on the continuing strengthening of resilience and security in ICT infrastructure, as that was a crucial aspect in order to ensure the good operation of the PCT System. In the view of the Delegation, it would seem important that the PCT System should have a sufficient number of staff with the required and appropriate qualifications and that priority should be allocated to operational needs and improvements with regard to the PCT core business. In terms of financing, the Delegation welcomed the process for simplification of oversight and payment calculation systems.

131. The Delegation of Brazil recognized that the PCT was a very successful treaty and that that was not by chance, noting that there was a very professional and high-level team working on it. The Delegation supported the continuation of providing adequate resources for that, including ICT tools. The treaty also produced reports made by IAs, which were useful in the national phase, as they increased productivity and quality of the work done by examiners. The increased use of electronic tools and services had allowed the parties to the PCT to provide a fast and effective service to the applicants. The system provided by the International Bureau was fundamental for timely and high-quality results. The Delegation noted that the implementation strategy mentioned that one of the goals for the biennium was to improve the existing features of the system, notably with regard towards sharing. The Delegation requested the Secretariat to clarify the activities planned for the biennium regarding work sharing, noting that that was an option that was being explored by many patent Offices to increase the productivity and avoid the duplication of work. The forecast for future PCT income continued the positive trend observed over the last 10 years. The predicted increasing surplus of the PCT could be put to good use through the provision of a fee reduction for specific stakeholders. In that sense, the Delegation proposed, in the PCT Working Group, a fee reduction for universities for developing countries. It was further noted that that was an effective way to increase patent activity by such universities and that it would be in line with ER II.1 as well as to Strategic Goals III, V, and VII. The Delegation concluded by stating that that fee reduction was a target one and would not negatively affect the capacity of the PCT system to continue to provide its high-level work.

132. The Delegation of Japan reiterated that productivity and quality of PCT services should be first enhanced, especially due to the fact that more than 75 per cent of WIPO's income was generated from PCT fees paid by applicants. In that regard, Japan welcomed the fact that the budget allocated for the Program had been prioritized in the draft proposed Program and Budget. In that context, the Delegation asked for more detailed information about how the Secretariat was planning to utilize the proposed budget to first improve the productivity and quality of the PCT System.

133. The Delegation of China noticed that over the years, the staff posts and costs had been reduced continuously. Over the past years, the applications in PCT System had increased, and, in the future, the trend would continue steadily. The Delegation was concerned if the cut on the staff posts would guarantee the timeliness and quality of PCT applications as well as maintain the level of service of the current PCT System. The Delegation also noticed that the geographical distribution of the languages used in the applications had changed. The Delegation was of the view that the PCT Sector should actively deal with the changes by recruiting more staff who were able to work with certain languages, and in particular, strengthening fixed-term recruitments because the mobility of temporary posts to some extent would reduce the efficiency while increasing the instability. The Delegation also supported the suggestion of the Delegation of Brazil with regard to the reduction of the fees.

134. The Secretariat noted that, although the Organization was keeping a very tight lid on the number of staff and while it had managed to reduce the staff, the productivity and the quality of the work of the examiners were, in fact, going up. The Secretariat explained that it was because of investing not only in IT to help them do a better job but also investing in training and other ways to try to make them more productive and their work experience more enjoyable, in order to continue to do the heavy load that was coming to the PCT. With respect to the observation made by the Delegation of China, the Secretariat acknowledged that the origin of PCT applications was changing. A majority of the applications, by considerable margin, came from the Asian region. Several years ago, the General Assembly had voted to give staff the option to postpone their retirement age to 65. The Secretariat had invited the delegations to allow the Secretariat to delay implementation of this change, in order to facilitate managing attrition so as to respond to the changing demographics of PCT applications. In the event, the Member States allowed the Secretariat to postpone conforming to the new standard only one year later than the rest of the United Nations System. That decision resulted in a demographic bulge of staff that had been expected to retire at age 60 or 62 under the old rules, but who exercised their entitlement to work between three and five years longer than expected. Therefore, the Secretariat had not had the amount of attrition that was expected in staff speaking non-Asian languages, who otherwise would have retired and been replaced by staff speaking Asian languages. The Secretariat had to make a number of imperfect adjustments to handle the workload while it waited for the clock to catch up with the retirement age of staff. The Secretariat expected, in the coming years, further attrition, which would give the Secretariat an opportunity to change the demographics of the staff. The Secretariat recalled that several delegations, including the Delegations of Brazil and China, stated that there might be a change to the fees charged for certain classes of applicants. The Secretariat recalled the earlier remarks from the Delegation of Brazil, which had observed that the issue of possible fee reductions for universities was actively discussed in the PCT Working Group. The Office of the Chief Economist was doing his best to provide the Member States with forecasts so that Member States could determine what would be the consequences of making different kinds of adjustments to the fee structure for different classes of applicants. Ultimately, that was a decision that rested with the Member States. It would potentially have some financial consequences, which the Secretariat was aware of, and were planning for, should those be taken, assuming facts not yet in evidence. With regard to the question relating to work sharing and what would be done in the next biennium to support this second major pillar of the PCT System, the Secretariat recalled that the PCT was mainly a filing system for applicants and a work sharing tool for Offices and for the benefit of applicants. The Secretariat noted four main areas of work in that regard. The first area of work was at the very heart of what had been discussed over the last 10 years or so, namely, the efforts to improve the quality of the search and examination reports, which were being produced by the International Authorities under the PCT System. The idea of those reports being that Offices, during national phase processing, did not have to start from scratch, but took into account what had been produced by the International Authorities as an outcome of the PCT international phase. Efforts to improve the quality of those reports had been ongoing in both the Working Group and the Meeting of International Authorities under the PCT. Second, also on the agenda of the Working Group, had been efforts to provide better linkages between national first filings, PCT filings and processing of applications in the national phase. This included efforts to better link the work done by the Office of first filing and the work carried out by the International Searching Authority during the international phase of PCT processing, and efforts to improve the link between what happened in the PCT and the national phase processing. A very good example of efforts to improve work sharing during the international phase was the ongoing pilot currently carried out by IP 5 Offices on collaborative search and examination, which was a 3 year pilot. The five biggest Offices in the IP world had joined forces for a trial, aimed at establishing a common high quality international search report. One Authority took the lead and collected comments and input

from the other four IP5 Offices, with the aim of establishing a very high-quality search report, which took into account the views of, in essence, five examiners, for the benefit of applicants and national Offices. Third, in terms of work sharing, the improved usage of existing databases which allowed access to work products of other Offices, such as WIPO Case, which gave easy access to search results produced by other Offices. In the same vein, the fourth activity, which had received a very warm welcome by a number of countries, was training of examiners of smaller and medium sized IP Offices on how to use the work products by other Offices. That was not with a view to rubber-stamping them but, on the contrary, to try to understand what other Offices had done to exploit that kind of work and to use it in accordance with their national laws to decide whether or not to grant a patent. Those were just a few examples of work sharing. There were many more, in particular also on the IT side of things. Work sharing was one of the two main pillars of the PCT and it would remain on the agenda for the years to come. On the question concerning productivity and quality, the Secretariat explained that some of the information requested was contained in the Annex to the PCT, in particular, the PCT indicators. In terms of productivity, the Program had increased by about 11 per cent in 2017 and by about 4 per cent in 2018. That showed that the Secretariat gave much importance to the question of productivity and had always done so in applying measures to improve it. In terms of internal work, all three divisions in the operational part of the PCT had specific quality control measures that the Secretariat had been constantly improving, and they were also working together with the other parts of the PCT to increase that quality control system. Looking at the performance indicators, the Secretariat noted that they were all either up or at least at the same level as the previous year. On the question of where to allocate resources, the Secretariat explained that it had hired staff in those languages where there was a particular increase in applications. In past years, the Secretariat had moved over 20 positions from retiring staff in some language combinations to those languages where there were real needs. The Secretariat had also hired more fellows, not only to obtain short term resources, but also because they improved the cooperation with the different Offices, and therefore ensured that there were less problems in communication both at the personal and at the electronic or automation levels. Particular attention had also been given to using certain technologies, for example, formats such as XML and image recognition. The Secretariat further noted that it would spend some money on better OCRing, which allowed more automation of certain procedures and would enhance productivity. The Secretariat had also been working on machine translation improvements, such as post editing, noting that the Organization as a whole had started looking into artificial intelligence. In the Information Services Division, there was a lot of work done on process automation. Those were the most relevant areas where financial resources were used. In response to the question from the Delegation of China, the Secretariat recalled that efforts had been made to hire staff from China, but also from other nationalities, where there was a particular demand. Short term resources could not completely replace those resources that were needed to ensure the necessary long-term know-how. However, there were certain advantages in hiring short-term resources if their number was limited to a relatively small percentage. It offered the Secretariat flexibility in terms of coping with the workload, and also allowed obtaining know-how in respect of the latest technologies. Finally, the Secretariat stated that it would certainly maintain, if not increase, a stable workforce in those languages.

135. The Delegation of Iran (Islamic Republic of) expressed the view that the PCT and also the SCP both were working very well. With regard to the 40 per cent reduction of the budget allocated to the temporary staff, the Delegation requested more clarification on that reduction. Concerning the work sharing among offices, the Delegation noted that there were divergent views among Member States on the work sharing based on the discussion in SCP. The Delegation requested clarification on if the current work sharing among Offices in the Program and Budget was different with the current divergent position among Member States in the SCP.

136. The Secretariat took the floor again to respond to the questions from the delegations. The Secretariat reiterated its earlier point that work sharing was indeed the second pillar of the PCT, noting further that the PCT was, to a great extent, all about work sharing. What otherwise would be the purpose of establishing a search and examination report for the benefit of the Offices. The Secretariat further noted that it was up to each national Office then to decide to which extent it wished to exploit that work product provided under the PCT. In a similar fashion, it was up to each national Office to decide to which extent, if at all, it wished to exploit search and examination results by any other Office. The PCT aimed to provide a high quality search and examination work product, which was made available to the Office. It was up to the Office to decide, based on its national policies and based on its national laws and practices, to which extent, if at all, it wished to exploit that work product. The aim was for those Offices who wished to exploit those kinds of work products to aim for the highest quality that would facilitate the work of those Offices in the national phase. It was explained that the reduction of the budget allocated to the temporary positions was mainly due to a big project to secure the PCT called the Resilient Secure Platform for the PCT. When that project started, some temporary positions were reflected in the regular budget. When the Member States agreed that that project should be included in the Capital Master Plan projects, those temporary positions were removed or transferred to the CMP Budget and the Regular budget could thus be reduced accordingly.

137. As no other Delegation wished to take the floor, the Chair proposed to move on to Program 6.

138. The Delegation of Switzerland welcomed the emphasis and improvement of services provided and productivity of the Madrid System, noting that it was particularly important that all necessary efforts were made to ensure the good functioning of the System with quality of service provided and registrations, and particularly with regard to the quality of translation of listed products and services, the timing for dealing with issues, and also the information system. There was a risk of growing dissatisfaction of clients, which could damage the attractiveness of the System. The Delegation welcomed the measures proposed to overcome that with regard to the new platform and also competence of staff. On that background, the increase of financial systems of 4.8 per cent and strengthening of personnel compared to the previous biennium seemed not only justified but indeed necessary.

139. The Delegation of Brazil announced that the lower halls of the Brazilian Congress had unanimously approved the ratification of Brazil to the Madrid Protocol in the previous month. Parties from every side of the political spectrum had agreed to it, showing a consensus regarding the necessity of modernizing Brazil's IP system and integrating the country into global markets. The Brazilian Senate was scheduled to vote the ratification to the Protocol the following week, which, if approved, would conclude the process in Congress and allow the Delegation to deposit the instrument of accession with WIPO. Without prejudging the outcome of the vote in the Senate, the Delegation was already in a very advanced state of preparation. INPI, the Brazilian trademark office, had improved trademark application procedures through digitization, increase of productivity, and elimination of unnecessary work. That had allowed trademark applications to be examined nine months after they were deposited in Brazil, in line with the standards set by the Madrid Protocol. The Delegation looked forward to reducing this pendency time even more. With the eventual approval of the Protocol in the Senate and deposit of the instrument of accession, the Delegation expected to be operational in the Madrid Protocol by the end of the year. Support by WIPO would be key to ensure that operations ran smoothly. The Delegation noted that it was currently discussing with the Madrid Legal Division the translation of the Madrid Goods and Services List into Portuguese, enabling the proper functioning of the Madrid Protocol System in the Delegation's Trademark Office. Integration of the IPAS version utilized by INPI with the Madrid System was also advanced. The Delegation noted that there were classification irregularities in the baseline in 2017, which was 45 per cent with a target for 2020 of

30 per cent. The Delegation requested the Secretariat to provide information regarding the actions being undertaken to reduce that percentage. Regarding the timeliness of transactions, the Delegation asked the Secretariat for clarification as to why the number of days were that high. Lastly, the Delegation asked for more details regarding the development of the New Madrid IT Platform and its integration with the IPAS Office Suite.

140. The Delegation of Japan welcomed the increased budget allocation for Program 6, the Madrid System, because the Madrid System was the second highest source of revenue for WIPO. The Delegation expected that resources from non-personal resources would increase 20.7 per cent and welcomed a detailed explanation on other contractor services, which greatly increased.

141. The Delegation of China noted that the personnel costs, including the number of personnel, decreased during 2020/21. During the next two years, the registrations and applications of the Madrid System would increase 18 per cent and 4 per cent, respectively. Under those circumstances, enough resources should be provided to the Program to ensure the Madrid System's service efficiency and service level. Recently, the Delegation noted that the applications in the Madrid System had been changing geographically. Therefore, the Delegation hoped that the Secretariat or that Organization would in the future take consideration of that change in recruitment. At the same time, the Delegation stressed the language problem of the Madrid System. At present, the working languages included English, French and Spanish. Chinese, Russian and Arabic were not working languages of the System. To the Delegation, that language mechanism, to a certain extent, impacted the Chinese enterprises' applications and their use of the System. In the previous year's Working Group meeting, the Delegation had put forward a request to increase the working languages and a report on the financial implications of the System in that regard. The Delegation hoped that the Secretariat would work rapidly to provide that report so that it would facilitate the Member States' discussions in July so that there would be enough information in that regard before July.

142. The Delegation of the UAE commended the work of the Madrid Division in cooperation with the respective authorities in the UAE to assist in joining Madrid. The Delegation noted the importance of ER II.5 into increasing the number of Madrid members to have six additional in 2021. The Delegation commented that the languages that would help countries like the UAE in joining Madrid, as it would ease and facilitate the process and would ease also the communication with the users. The Delegation had requested to have an economic impact, the impact on joining Madrid, and wanted to see if it was in the strategy for Madrid Division to do that for acceding countries.

143. The Secretariat took the floor to respond to the questions from the delegations and noted that the Madrid Working Group was scheduled to meet from July 22 to July 26, 2019. An important topic on the agenda was the language regime of the System. The Secretariat had prepared a document discussing the issue, setting out a number of issues of principle and a number of implementation options (including financial and resource impacts). That document would be published in the course of May. The delegations who were interested in the issue of the language regime of the System were likely to find the document helpful in terms of seeing which issues arise and which paths could be taken going forward. Ultimately, the decision to add new languages to the System is to be taken by the Member States, and it would be discussed during the Working Group. The Secretariat then responded to the three questions from the Delegation of Brazil. The first question related to the irregularities regarding classification. The Secretariat had not been particularly successful in the last years in terms of getting those irregularities down. It was something that the Secretariat really needed to focus on and hoped that in the next few years, the situation could improve, although it is not a simple matter to solve. The answer lied in the International Bureau's classification policy and how it related to the practices of the Offices

of origin and of the designated contracting parties and also probably in IT tools that would assist the applicants to prepare the applications even better than they already were prepared currently. The pendency had much improved compared to a year or two ago. The Secretariat was aiming to reach a 30-day pendency for most transactions in the next biennium. That was clearly indicated in the performance indicators for the proposed Program and Budget. To give a sense of the improvements, the Secretariat explained that there used to be a very high pendency for corrections, over 100 days, and that it had managed to bring it down currently to 50. Although there were some significant improvements, the Secretariat agreed that these efforts had to be sustained. If there were no major unforeseen issues, and major unforeseen issues were often unpredictable increases in filing rates, which, although positive, put some strain on the system, it is expected that pendency would continue improving. The last question from Brazil concerned the IT Platform and specifically the link with the IPAS. It was clear that one of the major thrusts of the work of the International Bureau looking forward was to improve data exchange with Offices so that the Secretariat received higher quality data from Offices that would allow the Secretariat to process the service requests more efficiently. It was clear that if Offices used the IPAS facility, then there should and would be an easy connection to the existing or future Madrid IT systems. Japan had a very specific question about an increase in the contractual services budget of 40 per cent and China had a related question regarding the decrease in the personnel resources. Those were actually related questions. The situation could best be summarized as follows. The Secretariat had a set of human resources that were staff (fixed term and temporary), fellows, interns, independent contractors, and agency workers. There was a mix of contract types, some very stable, fixed, permanent and continuing, and some less stable. Personnel resources experienced a decrease of 19 per cent in the temporary staff, although, there was an increase of 42 per cent in the non-personnel resources for the fellowships. There was an increase of 40 per cent in the other contractual services. Those shifts between those categories spread over the years are explained by the shifts in the contract types of the human resources relied upon by the Secretariat. It simply meant that over the course of the biennium there were more people on certain types of contracts than on other types of contracts. The Secretariat had succeeded to improve the pendency over the last few years very considerably with this mix of contract types. It was true that a certain added measure of stability would be welcome, but it was also healthy to have the fellows, for instance, because those resources come from the national Offices, had a lot of experience, and were often substantive examiners. A certain rotation was healthy because there were younger people, and it made for, in the long term, a better service and geographically more spread workforce. The geographical balance of the workforce was very important for the Secretariat in light of the shifting use of the System. In the Madrid Operations Division, there was a fairly good geographical mix because of the fellowship program, which allowed the Secretariat to bring people from various countries. In other Divisions, the Secretariat needed to focus a bit more on bringing in resources from the newer countries, the Madrid Protocol countries, but that was also something that the Secretariat constantly worked on. In sum, it was healthy to have a mix of fixed term and flexible resources, noting that the facts proved that the Secretariat could do a good job with the current balance, but a slightly more stable situation would be welcome. Regarding the possibility of making an impact analysis for potential acceding members, a question from the Delegation of the UAE, the Secretariat noted that it was constantly in contact with countries that might be interested in joining the System, and very often the countries requested for such an analysis, which the Secretariat did as a standard part of the preparatory work. The Madrid area worked together with the Chief Economist on this issue. If the Delegation was interested in such analysis, it could be produced.

144. The Chair took the floor and asked for further comments or concerns. As there were no further requests for the floor, the Chair opened the floor for questions and comments on Program 31 the Hague System. Since there were no comments on Program 31, the Chair continued on to Program 32, the Lisbon System.

145. The Delegation of Switzerland welcomed the emphasis on implementation of promotion of the Lisbon System, including the Geneva Act. Given the idea of increasing the number of users of the system, it would be therefore important to prepare for the entry into force of the Geneva Act. If the expected goals were achieved, the delegation believed that would be the case. After adhesion, there should be good follow-up of new members, particularly developing countries and LDCs. That should be done by WIPO. It was also important that technical assistance should be provided online in accordance with the needs expressed by the countries and the needs-driven approach. To ensure the good functioning of the system following the entry into force of the Geneva Act, we need to ensure that there was appropriate adaptation to the new needs of the system as foreseen under point 10 with regard to the expected results and outcomes of the program on the system.

146. The Delegation of the United States of America took the floor to express its comments directed to Program 32 as well as Annex III. Referring to the Secretariat's proposal that the CF unions, the Hague and Lisbon Unions contributed a nominal one per cent of the revenue toward common expenses, yet, in so far as the Lisbon union is concerned, that contribution was a mere 7,700 Swiss francs over the biennium. That proposal did not address the unfairness of the allocation methodology used. Table 11 of the Annex III indicated that PCT would still cover almost 91 per cent of all common expenses and Madrid would cover roughly 0.9 per cent with the other three unions contributing less than one per cent combined. The Delegation recalled that the PBC had been discussing alternative budget allocation methodologies since 2015, including a proposal by the United States of America in 2017 for the proportional allocation of both direct and indirect expenses among the unions. The proposed one per cent allocation of common expenses to the CF, Hague and Lisbon unions was, in the Delegation's view, a bare minimum to meet the legal requirements of WIPO's treaties. Each of the fee-funded unions' treaties required collection of income sufficient to cover that union's expenses, including its share of the Organization's common expenses. While the Delegation wanted greater movement towards proportionality in the division of the common expenses among the Unions over time, the Delegation believed that a higher fixed percentage of common expenses in the 2020/21 budget would better reflect a more equitable contribution from those Unions not currently contributing to common expenses.

147. The Delegation of Iran (Islamic Republic of) were delighted for the new accessions to the Lisbon Agreement and Geneva Act, which were positive indications for the promotion of the system. The Delegation underlined the importance of the legal and technical assistance provided by the Secretariat. Those programs continued to play a significant role to attract more applications under the system. The Delegation highlighted the significance of promotional activities for the Lisbon as one of the unions administered by WIPO on equal footing. At the end, the Delegation concluded by stating that it highly appreciated the excellent functioning of the WIPO Secretariat and the Lisbon Registry in the current biennium.

148. The Delegation of Italy thanked the Secretariat for the job that had been implemented so far and stressed the importance of promoting. The Delegation noted it had some positive transfers in the Lisbon system and in the Geneva Act for what concerned the country joining the system and also European Union was approaching, so that was a very positive thing.

149. Upon pointing out that the development of the Lisbon System was still a work in progress, the Delegation of China expressed the view that, from the long-term perspective, enough resources would have to be provided to the System so that it could be fully developed in the future.

150. The Secretariat took the floor to address the comments made by the delegations. For the three important registries of WIPO, there was one which was flourishing, namely the

Madrid System, and two that were in deficit. As far as the Hague System was concerned, the current investment was needed. With this investment, new business would be generated for the System and also the new IT platform was playing an important role. The deficit situation would be reversed as soon as possible. The Secretariat and the Hague Registry were doing their best to improve the situation. As far as the Lisbon Union and the Geneva Act were concerned, the Secretariat reported that it had received quite a number of positive indications of interest from developing countries and non Lisbon Union member countries, which was quite encouraging.

151. As there were no further requests for the floor, the Chair proceeded to start discussions on Program 7.

152. The Delegation of Brazil noted that it had implemented a dispute resolution into its intellectual property office in 2013 with the assistance of WIPO Arbitration and Mediation Center (the Center) with very promising results. It provided a quicker solution of disputes when compared to the judicial procedures, and that resulted not only in reduced spending of parties with legal expenditures, but also an increased legal certainty as decisions were quicker. The union was also responsible for following the processes undertaken by ICANN, the Internet Corporation for Assigned Names and Numbers. In that sense, the Delegation had a proposal of small amendments in the last bullet of the Implementation Strategy. The bullet mentioned that the Center would monitor and participate in processes undertaken by ICANN for the review of trademark-based rights protection. The amendment proposed by the Delegation would be to replace trademark for IP-based rights protection mechanism. The legal rights objection mechanism in ICANN applied not only to trademark but also to the names of international inter-governmental organizations and their acronyms. It would be more precise if IP were used instead of only trademarks.

153. Regarding the proposed amendment to the point from the Delegation of Brazil, the Delegation of Canada noted that it would need to consult with experts at capital prior to making any formal changes.

154. In response to the proposal from the Delegation of Brazil to widen the reference from trademark-based to IP-based, by way of general explanation, the Secretariat noted that the concerned part of the Implementation Strategies was a conservative factual description of the scope of engagement which the Center undertook with ICANN, because the common denominator to all the rights protection mechanisms in place with ICANN at the moment was trademarks; that was the scope at stake. An example was the review about to start at ICANN of the existing UDRP system, which, with the approval of the Member States, had been founded by WIPO and adopted by ICANN. That review in particular would be focusing on the way the UDRP had been running so far, limited to the protection of trademarks following the first WIPO Internet Domain Name Process. Beyond ICANN, in terms of the Domain Name System more generally, Member States through national registries, such as .BR for Brazil had done, had the flexibility to protect more than trademarks, for example, to cover trade names or personal names or names of public institutions. These were choices that a number of national country-code top level domains (ccTLDs) had made. In the work undertaken with ICANN this had not come into play, as ccTLDs were not under ICANN's mandate. So this is some factual background to the scope as it was in this Implementation Strategy.

155. The Delegation of Brazil thanked the Secretariat for providing its response. The Delegation explained that the idea was not to extend the scope of the activities of the Center to the ccTLDs or national registries. The Delegation fully agreed with the explanation given by the Secretariat that it should be left to national registries to decide whether they want to have a broader or narrower scope of protection. Regarding ICANN, which was the goal of the proposed amendment, the Legal Rights Objections was under its new gTLD program.

This included a mechanism for protecting IGO names and their acronyms, which was not really a trademark because it was not registered, noting that it did not have a commercial use, *et cetera* and that it had a very different nature. That was why the article of protection under the Paris Convention was there. The Delegation took note of the comments but continued to believe that IP-based rights protection mechanism within ICANN would be a bit broader, while it would maintain the precision of what was discussed at the legal rights objection mechanism.

156. As there were no further comments regarding Program 7, the Chair opened for the floor for discussion on Program 8.

157. The Chair opened the session, continuing on agenda item 6, Draft Program and Budget for the 2020/21 biennium. The Chair recalled that the Committee would continue its review of the Programs starting with Strategic Goal III and proceeding Strategic Goal by Strategic Goal. Prior to beginning discussions, the Chair made a couple of general observations and summarized the current status of discussions. It was noted that the WIPO digital timestamping service had been raised by some members and that the Secretariat noted that a presentation would be made that week. The Chair proposed to take that item under Program 28, where it featured in the draft proposal. The Chair recalled that the Secretariat had issued a Q&A on the topic earlier that week and that to Liaise with the Secretariat if a copy was still needed. The Chair noted that after the Committee had worked through the first reading of the Program, proposing that the Committee would then proceed with the consideration of Annex III, the methodology for the allocation of income and expenditure by union, which had also been raised by several delegations and had been the subject of many of questions. In addition, it was noted that several delegations had raised the performance reward allocation, provision in their opening statements, recalling that issue would be addressed under Program 23, where that was included in the normal order. The Chair then recalled that at the previous day's session, the Committee had reviewed Programs under Strategic Goals I and II and had had the benefits of clarifications and explanations provided by the relevant Program Managers. He then proceed to summarize, under his authority, the conclusions of those discussions. Starting with Strategic Goal I, Program 1, there were two specific changes, both to page 28 of the English version. There were revisions to the targets for the key performance indicators, referring to the level of satisfaction and on the risk and mitigation actions, where there was the addition of a second mitigation action, that was as per the approved Program and Budget for the 2018/19 biennium, related to, "provision of timely, accurate and substantive information to Member States," close quotes. On Program 2, there was a similar change, on page 31, to the risk and mitigation actions. Again, it was the addition of a second mitigation action as per the approved Program and Budget 18/19, "provision of timely, accurate and substantive information to Member States." On Program 3, on page 36, there were several additional explanations included or requested on Program 3 as regarded three different elements. Firstly, the shift of the activities formerly reflected under ER III.1 into ERs III.2 and III.4, respectively, while continuing to support the work on the national IP strategies carried out by the Bureaus in Program 9 and 10. Secondly, the shift of activities and resources formerly under ER IV.2 to ER IV.4. Thirdly, the continued communication on copyright-related issues as previously reflected under ER VIII.1. The Chair did not read out the full explanations, noting that after finishing this explanation, the Secretariat would circulate the draft. Continuing, the Chair noted that there were no proposed changes to Program 4. Turning to Strategic Goal II, he noted that, for Program 5, 6 and 31, there were no changes. On Program 32, the Lisbon System, there were no specific changes, but the Chair noted that there were several delegations that were referred to Annex III and the allocation methodology. The Chair confirmed that there were no specific changes, but that there were statements that reflected the allocation methodology. On Program 7, there was one pending issue that required further discussion. On page 60 under Implementation Strategies, as regarded the last bullet point, there was a proposal to replace "trademark-based rights" with

“IP based rights.” The Chair understood at that time that the interested delegations were discussing that, and proposed that they continue their discussions. Having completed the summary, the Chair noted that Secretariat had prepared the relevant pages in track change version, for complete transparency, and that the pages would be circulated for review. Turning Strategic Goal III (Facilitating the Use of IP for Development), the Chair opened the floor for discussions on Program 8, the Development Agenda Coordination.

158. The Delegation of Indonesia, speaking on behalf of the Asia and the Pacific Group, thanked the indulgence of Member States and the Bureaus for allowing the postponement of discussion of Strategic Goal 3 for the Group to be able to coordinate with regard to its views on the Programs under Strategic Goal III (Facilitating the Use of IP for Development). Referring to all Programs under Strategic Goal III, the Asia and the Pacific Group commended the work of the Organization in facilitating the use of IP for development. In general, the Asia and the Pacific Group viewed the Draft Proposed Program and Budget under Strategic Goal III positively. However, members of the Group would have additional questions, clarifications and inputs for separate Programs under Strategic Goal III. On that occasion, the Asia and the Pacific Group also commended the work of the Organization under Program 8, the Development Agenda Coordination, especially under continued work in mainstreaming the Development Agenda Recommendations in the work of WIPO, as reflected in the Expected Result of Program 8. The Group also welcomed the recent decision on convening the International Conference on IP and Development, noting that it was looking forward that the proposed budget for the Expected Result under the Program would be able to cover the convening of the International Conference on IP and Development for the next biennium. With that, the Asia and the Pacific Group noted that the Conference would be held May 20, 2019 and it looked forward to seeing the Director General at the opening of the International Conference on IP and Development. Moving on to Program 8, the Asia and the Pacific Group commended the exceptional work of the Asia and the Pacific Bureau and Arab Bureau, not only on the continued engagement with staff of the missions in Geneva, but also in helping staff of the missions to follow up with regard to bilateral relations of this Organization and the countries. The Group also thanked the Asia and the Pacific Bureau for their very useful briefing for members of the Asia and the Pacific Group that was held in April 2019. On that occasion, under Program 9, the Asia and the Pacific Group thanked Japan, Australia and the Republic of Korea for their Funds-in-Trust, which supported the work of the Program 9, and encouraged those countries to continue to fund in the Funds-in-Trust for Program 9. Moving on to Program 11 (WIPO Academy), the Asia and the Pacific Group recalled that it was one of the main users of the work of the program under Program 11, both offline and online and thanked Republic of Korea for the Fund-in-Trust, which supports the work of the WIPO Academy.

159. The Delegation of Uganda, speaking on behalf of the African Group, thanked the Secretariat for the work it was doing under Program 8. The Group regarded the Development Agenda Recommendations as one of the most important framework agreements, which should guide the Organization's work in each and every element. The Group further noted that, of equal importance, was the coordination mechanism, which monitored, assessed and reported on the implementation of the Development Agenda. Effective implementation of the coordination mechanism would guarantee the achievement of, not only the latter, but also the spirit of the Development Agenda. The Group was pleased to see that the Secretariat, and in particular the Development Agenda Coordination Division, also recognized that each and every element of the Organization must take development into account. It was further noted that through the Program and Budget framework document, the Secretariat had taken a more proactive role to mainstreaming development in each and every Program of the Organization. The Group further noted that what was needed going forward was continued improvement to have clearer targets and expected results that would help Member States track the budget related to the Development Agenda in a transparent way. Before concluding, the Group sought clarification on two issues. Noting that most Programs had a

chart showing cross program collaboration and that Program 8 did not, the Group inquired whether that was because it imparts all Program and asked for clarification. Under risks, referring to recent developments in the CDIP, it was the Group's understanding that Member States, in principle, had reached agreement on mainstreaming of the DA Recommendations in the work of WIPO. Noting that the risk related to Member States failing to agree on mainstreaming the DA Recommendations, the Group also sought clarification on that.

160. The Delegation of Malaysia commended the Deputy Director General Mario Matus and his team for the great work and recognized the International Conference on IP and Development to be held on May 20th. The Delegation also noted the comments by the Special Representative of the Director-General on SDGs the previous day, in particular on the fact that the Secretariat was working towards including or making progress on linking specific SDG targets in future reporting to the work of WIPO and welcomed that. As an observation and as what was mentioned by the Delegate of Uganda, noting that Program 8 was a coordinating Program, the Delegation was of the view that it would be beneficial or useful to reflect the cross-program collaboration as reflected in other Programs. The Delegation also noted that, for every Program, there was a summary of the SDG goals related that was reflected at the top of the page, but that it was also missing there. Recognizing that it was a coordinating Program, the Delegation hoped to hear more from the Secretariat on that. In conclusion, the Delegation commended the Secretariat for the good work and encouraged it to facilitate the Development Agenda.

161. The Delegation of Brazil thanked the Secretariat through the person of Deputy Director General Mario Matus for the outstanding work that had been conducted under that Program, recalling that the last session of the CDIP had been able to agree on some very important issues. The Delegation also noted the International Conference on IP and Development and that it was important for the Delegation, as mentioned in its opening statement. The Development Agenda was not only a matter of projects but also a reflection on the role of IP in support of development and creativity and innovation. For that, an international conference was, of course, a very useful opportunity to discuss that. The Delegation recalled that a project for the audiovisual sector in Latin America had also been agreed, noting that it was thankful for the delegations who had supported that. That would allow inputs to national and regional discussions. The Delegation noted that it looked forward to implementing that project. Regarding Program 8 itself, the Delegation commended the third bullet on the Implementation Strategies regarding the key priorities of the Program for the biennium. In particular, the Delegation highlighted the strengthening of the mainstreaming of the Development Agenda in the Organization, noting that, for that, it was, of course, necessary to allocate adequate resources to implement it. The Delegation noted that more resources for the Program had been provided in that biennium *vis-à-vis* the last biennium, which was a welcome development. The Delegation stated that the CDIP, as it had referred earlier, was implementing many projects, such as the International Conference and the audiovisual sector, as well as enhancing the use of IP in the software sector in African countries. As was mentioned by Malaysia and Uganda, the Delegation agreed that, in reference to the cross program collaboration, Program 8 should undertake with other Programs, as it would be useful. The Delegation agreed with that request. Concerning the indicator on page 67 of the English version, regarding the level of satisfaction with WIPO's dissemination of information on the Development Agenda, it was noted that the baseline was 82.6 per cent and the target that for the biennium was 80 per cent, below the baseline. The Delegation, therefore, inquired why that target was 80 per cent, asking if it could be more, i.e. 85 per cent. The Delegation then asked for the Secretariat to provide guidance as to how it developed that target, including how that target was being measured, i.e. what are the tools that were used to reach that number.

162. The Delegation of China expressed to the Secretariat and the Deputy Director thanks for the work. The Delegation noted that Program 8's implementation strategies were

basically in conformity with the CDIP's recent year's discussions and progress on the Development Agenda and expressed its satisfaction with it. The Delegation suggested that the Secretariat should strengthen the effective promotion of Development Agenda project results so that the results could be applied in a sustainable way. In addition, the Secretariat should consider reserving resources for possible future Development Agenda projects in the next biennium.

163. The Delegation of Lithuania asked for clarification as to whether or not it was the right time to discuss its comments on Program 10.

164. The Chair clarified that Program 8 was being discussed for now, and that we would move to Program 9 and 10, noting that the Delegation of Indonesia, speaking on behalf of the Asia and Pacific Group had made general comments related to the whole of the Strategic Goal. As there were no requests for the floor, the Chair invited the Secretariat to respond to those questions from interested delegations.

165. Regarding the question from the Delegation of Uganda on the risk, the Secretariat noted that language in the case of divergence referred to the possible divergent Member State views regarding the mainstreaming of the Development Agenda and that those were factual and a reality, even though the Secretariat does not expect it to happen. In the case that it did happen, there would be a solution, which was to negotiate or help support the negotiation among Member States to avoid the situation. The Secretariat further noted that at that very moment, there was no situation with a divergent view on how to mainstream different areas of the Development Agenda. Regarding the cross program collaboration raised by the Delegations of Malaysia and Brazil, it was recalled that this was the same Program presented in previous biennia. The Secretariat explained that if every Sector were added, it would become a very crowded chart, adding that this was the same for the SDGs. On the last question from the Delegation of Brazil and the level of satisfaction on page 67, the figures 86, 82.6 and 80, it was noted that 80 per cent level of satisfaction was a reasonable target. Again, the Secretariat maintained that if Member States asked for an increase, it would be no problem. It was then further noted that, in general terms, there was a common issue in Programs 8, 9 and 11, with regard to assessing how to measure satisfaction. In most cases, it was measured with a survey at the end of any meeting. Usually it was very high, over 80 per cent. The real question was the level of impact of the activity. The Secretariat explained that it was in the process of assessing on how to improve the measurement of impact. For that purpose it would have a dialogue with Member States on how to go beyond that basic type of measurement.

166. The Chair opened the floor, again, for reactions to those comments by Deputy Director General and to those delegations that suggested amendments.

167. Speaking in a national capacity, the Delegation of Indonesia thanked the Deputy Director General for his explanation with regard to the question raised by Malaysia and Brazil. Noting that it was that Delegation's question, the Delegation explained that what Malaysia and Brazil were referring to were the cross-program collaborations as seen in other program. The Delegation then referred to page 70, highlighting the cross-collaboration chart under Program 9. Given the chart in Program 9, the Delegation did not think it would really make Program 8 crowded because other Program had also used that kind of chart. The Delegation then highlighted that it was already in the performance indicator and that there was a baseline that the Development Agenda principles and activities through implementation were integrated across WIPO Programs. In that context, the Delegation thought that it would not be that complicated, noting, of course, if that was what Malaysia and Brazil were actually asking.

168. The Delegation of Brazil thanked the Deputy Director General Matus for the explanations provided and were satisfied with them. Regarding the SDGs and cross program collaboration, specifically to SDGs, the Delegation noted that perhaps it would be important if we had that in the Program itself and understood that that may not be the most beautiful way, but it would be important to underline that the SDGs were very much part of the job that was undertaken at WIPO. That would also signal that the Development Agenda coordination was also a cross-organizational issue. Regarding the chart that was mentioned, the Delegation confirmed that that was precisely what it had in mind in Program 9, as was mentioned by Indonesia. The Delegation then stated that it would leave that to the Secretariat to discuss, but if it could be provided in the Q&A, for instance, clarifying that Program 8 was cross-organizational within every Program, that would be satisfactory. In conclusion, just to recall the SDGs, the Delegation requested that on Program 8 the SDGs and the cross program collaboration be included in the Q&A document that the Secretariat would circulate later.

169. The Delegation of Malaysia confirmed to the Delegation of Indonesia that that was the chart to which it referred, the cross program collaboration. It would be in the Delegation's interest, as well, if the chart were reflected in Program 8 with the SDGs at the top of the page, noting that it would better reflect the work of the Committee on the Development Agenda. The Delegation aligned with the comments made by Brazil as to why those graphs and charts under Program 8 should be included.

170. Noting that there were no more requests for the floor, the Chair summarized the discussion, stating that Members were content with Program 8 with the addition of the SDG ribbon at the top, as with other Programs, and a chart on cross program collaboration. The Chair noted that one Delegation had pointed out the charts on page 70 as indication for what was requested, a chart on cross program collaboration also to be included at the start of Program 8. Noting that there were no further requests, the Chair turned to Program 9, (Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Development Countries, noting that it started on page 69 of the English language version of the draft Program and Budget.

171. The Delegation of Indonesia stated that it had two questions on Program 9. The first one related to ER III.3 (Mainstreaming of the DA recommendations in the work of WIPO) on page 76. The Delegation observed that there was budget on that line but that when looking at Expected Results and performance indicators, it could not find ER III.3 in the performance indicators of Program 9. On the second question, the Delegation first noted that Indonesia had a lot of projects with Program 9, especially big projects like the national IP strategies and the enabling IP environment. The Delegation observed that the Asia and the Pacific Bureau would have a busy biennium. The Delegation then requested clarification as to why the budget for ER III.1 for the 2020/21 biennium was significantly less than the budget after transfer 2018/19. The Delegation concluded by noting that it would like to ensure that the Bureau would have enough budget to cover all their foreseen activities for the upcoming biennium.

172. Speaking on behalf of GRULAC, the Delegation of Guatemala thanked the Secretariat for the work in Latin America and the Caribbean, the cooperation provided to the Group in rolling out regional activities and to urge the Secretariat to continue that mechanism for facilitation of cooperation in those activities. With regard to Program 9, ER III.1 (National IP strategies and plans consistent with national development objectives), the Group asked for clarification as to the reason for the decrease compared to what was approved in the previous biennium, noting that the Group believed that that had been functioning well in the various different countries with a national IP strategy. Therefore, for the new biennium, the Group wondered if there would be incorporation of new IP plans in new countries, which it knew to be the case in the Caribbean, that there were projects beginning on that.

173. The UAE expressed its gratitude for the work conducted in the Development Division in general and the Bureaus, especially the Arab Bureau. The Delegation stated that it had questions and comments on Program 9. First, concerning ER III.1 on page 71, the Delegation inquired whether the baselines and targets reflected in that table reflected the copyright strategies the work being done by Program 3, as mentioned earlier. The Delegation noted that in the previous biennium 2018/19, there had been certain baselines and targets with specific numbers, and it wanted to clarify whether those numbers were also integrated within the same table on page 71. Continuing on ER III.1, the Delegation took note of the missing performance indicator on revising national IP strategies and sought clarification from the Secretariat in that regard. Additionally, referring to the resources for Program 9 on page 74, paragraph 4 under ER IV.2, the Delegation noted that it was specifically mentioned that the capacity building for technology transfer stakeholders was for the Asia and Pacific region and asked the Secretariat if that capacity building was only for the Asia and Pacific region or could it be cross regional. If yes, why was it not reflected in that paragraph? As well as Guatemala, the UAE had the same concern regarding the ER III.2, noting that there was a big reduction in budget compared to last biennium, as well as a decrease in temporary staff of 67 per cent. For that, the Delegation would also seek clarification from the Secretariat in that regard.

174. The Delegation of Brazil complimented the Secretariat for the activities undertaken in Program 9, noting that it was, of course, a very important program for its Country. It was further noted that the Program brought a range of activities in support of Member States from those regions. For instance, the strengthening of the technical infrastructure in national IP Office was of great assistance and allowed for an increase in the quality of the work undertaken by the Office, noting further that having an effective industrial property Office was one of the requirements for an innovative and creative ecosystem in countries. Capacity building was also an important part of the work of WIPO under Program 9, the Delegation observed, noting that it had had important activities organized in Latin America with the assistance of LAC Bureau. The Delegation was grateful to the Bureau and recognized the very professional work done by WIPO in the course of such events. The Delegation then stated its agreement with the statement made by the Delegation of Guatemala on behalf of GRULAC. Regarding the proposed performance indicators, as was mentioned by the Delegation of the UAE, the Delegation noted the exclusion of the indicator under ER III.1, regarding the revision of national IP strategies and asked the Secretariat clarify the reason behind that exclusion. On ER III.3, which mentioned the mainstreaming of the DA recommendations as part of Program 9, the Delegation noted that it very much supported that goal and sought more information about the budget allocated to that Expected Result and how it would be used, as it was not clear the relation between the budgets of ERs III.4 and III.2. The Delegation further noted that there was a reduction in the proposed budget for ER III.4, whereas there was an increase under ER IV.2. The Delegation asked if the Secretariat could clarify the actual differences on that or if the implementation of one activity or another was being shifted from one Expected Result to another. Lastly, as a suggestion for future drafts, for future PBC meetings, the Delegation thought it would be useful to have the information for the individual WIPO Regional Bureaus separated to facilitate the discussions. It was further clarified that the Delegation was not proposing to have individual Program, but that having individual information for each Regional Bureau would be very useful to Member States to understand properly what each Bureau was doing individually. Mr. Chair.

175. Adding onto what the delegation had already stated with regard to Program 9, the Delegation echoed the questions made by UAE and Brazil on the missing performance indicators for the revising of national IP strategies, noting that the Delegation was also interested in under ER III.1. As the UAE mentioned, the Delegation also noted that all the work and resources of the copyright components of national IP strategies of Program 3 had been redistributed to another Expected Result in the Program. So, that would mean that

some work and resources would fall under Program 9 because all the Program and Budget for copyright components was absorbed for another Expected Result. In that context, the Delegation asked how that was seen. In addition, the Delegation highlighted that there was a significant decrease the proposed budget for 2020/21 on the national IP strategies and stressed that it wanted to make sure that the work on national IP strategies would not suffer or have troubles because of that significant decrease in the proposed budget for the upcoming biennium.

176. The Delegation of Japan recalled that, since 1987, every year the Japanese Government had made voluntary contributions to WIPO for its development initiatives in the field of intellectual property rights. Making effective use of the Japan Funds-in-Trust, Japan had been implementing a variety of assistance programs for developing countries in the Asia, Pacific and Africa regions in the field of industrial property, including holding various workshops and seminars, sending its own experts and improving IP infrastructure to WIPO and other Offices. Last year, the two Japan Funds-in-Trust both marked important milestones, 30 years for the Japan Funds-in-Trust for Asia and the Pacific and 10 years for the Japan Funds-in-Trust for Africa and LDCs. Now, the two Japan Funds-in-Trust would be transformed to a new global Japan Funds-in-Trust to support global IP systems more productively and effectively. The Japanese Government in cooperation with WIPO was committed to first improving its cooperative initiatives to ensure that the Japan funds are used even more efficiently and effectively. The Delegation noted that Japan would like to commit its support for development programs working with WIPO also in the 2020/21 biennium.

177. The Delegation of Malaysia commended the exceptional work of the Asia and the Pacific Bureau and echoed the kind words mentioned earlier by the coordinator of its regional group on the efficiency and effectiveness of the Bureau. As a follow up to the Delegation of the UAE's question with regard to whether the copyright portion of the national IP strategies included in the budgeting of Program 9, and as observed by the Delegation of Indonesia, whereby the proposed budget for 2020/21 was slightly lower than that of the previous biennium, the Delegation noted that there was an increase for the demand from Member States in assisting them with national IP strategies. The Delegation also observed that ER III.3 was missing from the Expected Results and performance indicators and agreed with Brazil whereby the suggestion was made to reflect the programs of the individual Regional Bureaus.

178. With reference to ER II.9 and the performance indicator on the number of international registrations for developing countries, the Delegation of Italy requested to see as an additional performance indicator, the additional number of countries and sought more information of why there was just number the of registrations, but not the new members foreseen as an indicator.

179. On the issue of ER III.3 and why no indicators existed, the Secretariat explained that that Expected Result reflected the work of the Deputy Director General, whose job it was to oversee the mainstreaming of the Development Agenda. That was why no specific performance indicator appeared under Program 9. Concerning the reduction in the budget, the Secretariat explained that there was a reduction only for some items but, looking at the overall picture, there was actually an increase in expenditure for all Programs. The Secretariat further noted that the reduction was due to the transfer of one post to the WIPO Algeria Office, following the creation of the new external offices in Africa. In regard to the national IP strategies, the Secretariat noted that there were inconsistencies there, which was a problem. The Secretariat further noted that the situation with the national IP strategies was such that there were a number of countries that should be implementing the strategy, but that was not the case. This was because in some cases, the strategy had been finished; in others there was a change of Government and the new Government wanted to have another

strategy. In some cases, explained the Secretariat, the strategy had been already implemented, and therefore, the strategy needed to be reformulated or updated. The Secretariat was doing a global assessment on how to face the issue of national IP strategies. As a matter of fact, noted the Secretariat, an internal meeting with the consultants that had been hired in the past to deal with this national IP strategy, would take place the following week at WIPO. The meeting would assess the situation and how to improve the way of formulating those strategies, how to measure the impact of the strategy. In other words, how to deal with the strategies for the future. The expected outcome of the meeting the following week would be an update of all the manuals and the documents to produce national IP strategies, including guidelines on how to implement the strategy. The Secretariat recalled that it could not oblige countries to implement the strategy. It was further noted that most of the oversight entities that were having a look on what Program 9 was doing, all of them said that the issue of implementation of the strategy was a problem that needed to be tackled. In response to the question from the Delegation of the UAE on the capacity building, the Secretariat confirmed that capacity building was across the board, for all regions without differentiation. The issue of having a separate breakdown in terms of the Regional Bureaus' activities, the Secretariat noted that it would assess that, reflect on how to do it, but that probably the solution would be to put those elements in the Q&A document. Regarding the issue of the increase of resources under ER IV.2 raised by the Delegation of Brazil, the Secretariat clarified that more resources were being devoted in the LDCs division for appropriate technologies, as in the case of tech transfer, there was special program or an increase of the activities. Under ER III.1, where there was a small reduction, the Secretariat explained that was because the LDC countries were no longer engaged in national IP strategies but in less ambitious or less comprehensive plans. Some countries would have national IP strategies; other countries would have national programs or something smaller; and some countries would have programs or plans for a specific sector. The Secretariat then noted that the answer would become clearer as part of reassessing how to tackle the national IP strategies. With regard to the question from the Delegation of Italy on registrations and participation in Lisbon, the Secretariat stated that it would come back on that question. The Secretariat noted that, of course, copyright and industrial property would be part of the national IP strategies.

180. Thanking the Secretariat for its responses, the Delegation of Brazil requested the explanation on ERs III.4 and IV.2 in the Q&A document, if possible, noting that the Delegation were not able to take the full notes although understood perfectly. On the indicator of the revision of the national IP strategies, the Delegation requested to have the indicator reinserted. The Delegation also requested whether the baselines and targets would be ready for inclusion.

181. The Delegation of the UAE expressed its appreciation for the answers given by the Secretariat and supported the suggestion made by the Delegation of Brazil for reinserting the indicator on revising national IP strategies. The Delegation sought clarification and confirmation that the numbers in the table under the national IP strategies reflected the integration with Copyright from the previous biennium. In addition, based on the answer given regarding the capacity building for technology transfer stakeholders, that it was for all regions, the Delegation stated that it did not think it necessary to put the reference to the Asia and the Pacific region in the paragraph, noting that that was not the case that the Delegation could be flexible to have the Asia and the Pacific Region and other regions.

182. In response to the additional questions, the Secretariat confirmed that the explanations for ERs III.4 and IV.2 would be included in the Q&A and that copyright and industrial property were integrated in the national IP strategies, as that was nothing new. Concerning the paragraph on page 74, romanito (i) that said Asia and the Pacific Region only, the Secretariat noted that the paragraph reflected the increase, which was why the

reference was made. The Secretariat then confirmed that capacity building would be for all the regions across the board.

183. The Delegation from Indonesia sought clarification on the Delegation of Brazil's suggestion to reinsert the revision of national IP strategies under ER III.1 in the performance indicators.

184. The Chair noted that Brazil's request for explanations in the Q&A document under ERs III.4 and IV.2 would be done. He then reopened the floor for reactions to the point around the resources on capacity building for technology transfer being about the increase to the resources. He then handed the floor to the Secretariat on the question of ER III.1.

185. The Secretariat reiterated that it was revising or assessing or reassessing the issue of national IP strategies as a whole. The Secretariat stated that if Member States wanted to include the performance indicator on revising national IP strategies that could be done. The Secretariat again stressed the point that the issue of National IP Strategies had to be tackled seriously because, at the end of the day, that was the framework in which the Secretariat could work with the Member State in a coordinated way. For instance, the Secretariat explained that, at the end of the year, it would receive a wish list of the activities that it would have the next year with every single country, but very rarely did the Secretariat receive that request based on the national IP strategy. So, there was a disconnection in reality on what it was doing *vis-à-vis* the national IP strategy. In conclusion, the Secretariat reconfirmed that the new element of revision could be added back.

186. The Delegation of Indonesia thanked the Secretariat for the explanation on the possibility of whether the performance indicators under the revision of the national IP strategies could be put back. What the Delegation was concerned about was that that option was still open. Sometimes the national IP strategy could take years to finish, and by the time it was finished, there was a new election and a new Government taking care. The Delegation explained that the Government might want to revise the national IP strategy. In that context, the Delegation wanted to make sure that, if its country, stating that it was not actually going to do it, knocked on the door of the Asia and the Pacific Bureau to say that its new President wanted a revised version of the national IP strategy, would the Delegation be able to do so and not be forced to implement what was already being adopted. The Delegation noted that, it could have that comfort, it might be flexible with regard to the performance indicators.

187. The Secretariat confirmed that it would not oblige the Member State to implement an existing IP strategy, recalling that WIPO was a Member-driven Organization. The Secretariat then confirmed that it would bring back that element to the draft Program and Budget.

188. The Chair summarized that the performance indicator would come back into the draft Program and Budget but also that the minutes of the meeting would reflect the Secretariat's confidence that support would be provided where national IP strategies needed to be revised and that explanations would be provided in the Q&A document under ERs III.4 and IV.2 and on the Regional Bureaus as requested. The Chair then recalled that there was one clarification to check, which was the explanation on the tech transfer, the question on the language on tech transfer, which referred to the Asia and the Pacific Region because of the increase in the Asia and the Pacific. Reminded by the Secretariat, the Chair then recalled that there was some outstanding clarifications on Lisbon also to be provided and reopened the floor see whether that had been a fair summary. As there were no requests, the Chair took it that Program 9 was acceptable to all subject to those explanations in the Q&A document and to the clarifications to the Delegation of Italy on Lisbon. The Chair then turned to Program 10 (Transition and Developed Countries), starting on page 77 of the draft Program and Budget.

189. The Delegation of Croatia reiterated, as per the CEBS Group's statement before on that item, that the Delegation was very happy with the allocations on capacity building activities because they contributed to the better management of the IP system in its country in general. In a national capacity, the Delegation expressed the same satisfaction on those activities to be carried out or that had been carried out, like IP legislative and policy assistance to Member States and different capacity building activities to promote WIPO products and services, IP teaching activities and programs in the Group's Member States, as Croatia believed that they did contribute to the enhancement of IP in the CEBS countries.

190. The Delegation of Lithuania aligned itself with the statement on behalf of the CEBS Group. From Lithuania's perspective, the Delegation commended the outstanding work of the Department for Transition and Developed Countries in implementing projects in the region. The Delegation was pleased to see an increase of resources for capacity building activities and recalled that the countries in the region were members or parties of more than 20 WIPO instruments per country, so those activities were very important to improve their capacities to rightly implement IP systems. The Delegation, on the part of Lithuania, further expressed its pleasure to see, in the Implementation Strategies, the sixth bullet point, the activities that were designed to cope with the current challenges of cooperating in the digital age, which, for Lithuania, was a very important goal for the next biennium. The Delegation continued to express its pleasure, noting the invaluable assistance of WIPO in the creation of its mediation mechanism, on which the Delegation had a questions. In the Resources by Result, the Delegation noted that there was a decrease of resources allocated for implementation of mediation mechanisms and asked if that would not be a challenge for the countries in the region. If the decrease of personal resources would not overstretch the personnel of Program 10, noting that, during the current biennium, the Program had been more reliant on individual contractual services, but that, for the next biennium, that budget line remained unincreased, despite of the fact that the budget after transfers showed the need to be increased. So, the Delegation asked for reassurances that the decrease in personnel resources would not affect the ability of the Program to implement programs in the region. In conclusion, the Delegation noted that, so far, it was very happy with the work of the Program.

191. The Delegation of Pakistan expressed its deep appreciation of the manner in which the Chair was conducting the session. The Delegation stated that its comments actually pertained, not only to Program 10, which was being discussed at the moment, but also overlap with Program 30, under that Strategic Goal, and also to Program 25. Not sure where exactly to raise that, The Delegation thought it was appropriate to cover it now, namely to elaborate on the proposal that was made the day before. The Delegation recalled that WIPO was presented as an innovation organization and that that aspect was clearly stated in its mission statement. Continuing, the Delegation observed that there was a considerable fragmentation of units, as it had pointed out, which dealt with innovation-related matters. To quote an instance, TISCs dealt with some aspects of innovation and did patent work. Most of the work was related to academic institutions and universities that often seek guidance on related matters, such as how to develop their IP policies. Then in that case, Member States were referred to other divisions, such as the Development Cooperation Division. Similarly, the Delegation also observed that some personnel working in the SMEs and Entrepreneurship Support Division were also working for licensing and that division was parked regionally. On the other hand, Bureaus were also handling some aspects of innovation. The Delegation then commented that it became quite difficult for Member States to understand how to find assistance, how to find assistance in synchronized manners. The Delegation then asked if WIPO could provide a one-stop shop to guide Member States, as some units dealt with capacity building and with different units dealing with different aspects of innovation because they were parked separately. That caused a lot of trouble for Member States to benefit from them, and it became quite opaque to understand what functions those units were delivering. Moreover, they also faced the challenge of being under-resourced.

Therefore, the Delegation stated that there was a need to consider establishing a separate innovation division that could guide Member States on innovation-related aspects, as it would help to merge resources together and ensure that they are adequately resourced. The Delegation proposed that, if all the divisions dealing with innovation-related aspects could not contribute to the proposed division, then at least, a separate division from selected divisions, such as SMEs and Entrepreneurship, Transition and Developed Countries and the Department for Development Coordination be synchronized and a new division established from those divisions so that Member States had a one-stop shop to meet their innovation-related requests and not have to simply hop from one division to another division. The Delegation also requested for the Secretariat to kindly provide a list of development activities from the previous biennium, along with the breakdown of cost for each development activity in consolidated chart form, as it would be very beneficial and assist Member States to assess the sufficiency and efficiency of those activities for the future. As under current practice, the information, which was provided in WIPO's various reports, such as the WIPO Performance Report, it became difficult to assess the summarized form of development activities along with their individual breakup for the cost for the benefit of Member States.

192. The Chair noted the question on the suggestion of a separate innovation division and commented that colleagues from the Transition and Developed Countries Division might want to offer thoughts on the work of the division. The Chair then suggested to discuss with the Secretariat on how best to answer that very specific question and invited the Secretariat to explore a little bit what might be possible on the development chart, the data point, noting again, that the Committee could return to it if needed. Seeing no other requests for the floor on Program 10, the Chair handed the floor to the Secretariat to respond.

193. The Secretariat, first of all, thanked the Member States for the kind words of appreciation for its work. For the slight decrease in resources for the activities concerning the alternative dispute resolution activities, the Secretariat explained that it was really a minor reduction, which would not affect the quality and the quantity of the services provided by the Program. In terms of resources as well, The Secretariat reassured the distinguished delegates that there would be no impact and that there had only been a rebalancing of internal resources in terms of personnel, but that that would have no impact on performance. Since the Department was also dealing with Program 30, stating that it was not sure if it should answer questions raised with regard to Program 30 at that point or whether to wait for other questions. As a general reply to the question of having a one-stop-shop, for the Secretariat, it was relatively clear that for every Member State, no matter what the substantive request was, the Secretariat would address the request to the relevant Bureau. So, if it were, in that case, from Pakistan, it would go to the Asia and the Pacific Bureau, no matter what the request was. Then, it would be for the Bureau to get in touch with the relevant units within WIPO to provide the activities or the capacity building or the support that the Member State was requesting. Acknowledging that it could sometimes be puzzling, within the Department, the Secretariat explained that it was called the Transition and Developed Countries Department. Within that Department, there were two units, one was on SMEs and Entrepreneurship Support and the other one was NGOs and Industry Relations. It was further explained that both those units served the whole WIPO constituency; they did not just address issues coming from transition and developed countries. So, again, in terms of a one-stop-shop, the Secretariat thought that, so far, it had worked pretty smoothly, noting, of course, that there was always room for improvement.

194. The Chair noted that, on the question on the innovation division, the Committee would reflect and return to that. The Chair confirmed that the reassurances provided to the Delegate who had asked for reassurances were valid, noting that the Delegate nodded in confirmation. Seeing no other requests for the floor, the Chair took it that Program 10 was. The Chair then turned to Program 11 (The Academy). Before beginning with Program 11,

the Chair noted that the Secretariat had further clarification to the question from the Delegation of Pakistan on the matrix of development activities and turned the floor over.

195. The Secretariat informed the distinguished Delegate of Pakistan, who had asked for the list of activities of the last biennium, noting its usefulness, that that information was already in the IP-TAD system, directing the Delegate to the webpage of WIPO.

196. The Chair then turned formally to Program 11.

197. Speaking on behalf of the CEBS Group, the Delegation of Croatia, equally as for Program 10, commended the work carried out under the Program 11. The Delegation sought clarifications and reassurance about the decrease, which was mentioned there and that it would not affect future work of the WIPO Academy, as the Group saw its work as very important.

198. Speaking on behalf of GRULAC, the Delegation of Guatemala thanked WIPO for the Academy being a tool for development in its national Offices and all areas related to IP. Therefore, the Group considered it was vitally important to be able to continue with the adaptation of online courses to the various official languages of WIPO as an indicator of the performance of that Program. The Delegation stated that it was of paramount importance as that would enable them to achieve a positive result in the increase of participants and achieve the goal of facilitating training mechanisms for developing countries, LDCs and countries with economies in transition.

199. The Delegation of Lithuania aligned itself with the statement of the CEBS Group and expressed its appreciation of the work of the WIPO Academy. However, the Delegation noticed that there was a big decrease in the personal expenditure for the next biennium, which was partly compensated by individual contractual services, which was probably the result of the overall decrease of the financing of the Program. The Delegation requested reassurance that it would not affect the effectiveness and programs of the WIPO Academy and even increase their substantive work, which was highly appreciated by the country.

200. The Delegation of Brazil supported the statement made by Guatemala on behalf of GRULAC. The Delegation valued the work of the WIPO Academy very much and encouraged The Academy to continue to share and distribute knowledge on the very technical issues, such as IP, noting that its activity in supporting countries to build and strengthen national IP academies was also greatly valued by the Delegation. The Delegation agreed with the continuation of such efforts. Another positive aspect of the activities under Program 11 was the customization of Distance Learning courses. In partnership with the WIPO Academy, the Delegation's patent Office had developed a version in Portuguese of the basic Distance Learning course DL101 which was of great success, not only because it was available in Portuguese, but also because the discussions of specific aspects of IP protection in Brazil were included. The Delegation thought that was encouraging way ahead for the WIPO Academy to adapt courses that were requested by national entities, noting that one of the implementation strategies included that. The Delegation suggested that the Academy hold training courses and seminars targeted to Government officials from developing countries and also noted that it would like to see more interest in the joint organization with WIPO of workshops, symposia, conferences and other program of common interest. Of course, the Delegation would follow that up bilaterally with the Academy. The Delegation expressed additional in exchanging training materials on a regular basis between the WIPO Academy and the patent Office Academy in Brazil, including course catalogs, teaching materials, guides, videos and other training tools, which could be very useful when formulating other courses in the national IP Academy in Brazil.

201. The Delegation of the UAE expressed its appreciation with the Academy's continuous efforts toward IP building capacity and training for Member States and commended the Academy and the Arab Bureau for organizing a briefing for the Arab delegates earlier that year. That Delegation noted the exclusion of publishing in the table on page 85 and sought clarification because IP training publishing was important. The Delegation also echoed the statements by Brazil in expressing its willingness to work together with WIPO Academy bilaterally for conducting workshops, training for that.

202. As a general comment, the Secretariat noted that the Academy was the core entity for professional training in WIPO, recalling that the mandate of the Development Sector was to develop national IP strategies, to assist Member States develop their legal infrastructure, their office infrastructure and to provide capacity building which was carried out by the WIPO Academy. To provide an overview the Secretariat stated that almost 90,000 people were trained through distance learning courses in the last year and, over the last 20 years, since the establishment of the Academy, over half a million people benefited from its training programs. Emphasizing that distance learning was one of the most effective ways to train people on IP. The Secretariat expressed its deep appreciation for the words of satisfaction and support expressed by numerous delegations. Dealing with some of the points that were specifically raised by the distinguished representatives of Croatia and Lithuania concerning personnel costs, the Secretariat highlighted that the first issues that should be looked at in comparison to the previous biennium was that there were additional funds in the previous biennium under Program 11 for the implementation of the CDIP project for the judiciary. The Secretariat explained that the decrease seen in the budget was mainly due to the fact that, as indicated in the document itself, a post had been moved from the WIPO Academy. As for the increase in the cost of individual contractual services, it was explained that it was mainly to respond to the increase in the number of participants in the distance learning courses. In 2017, the number was 65,000. Last year, it was 90,000 participants. There was also an increase in the number of participants in the specialized courses offered. The Secretariat explained that one of the reasons why there was an increase in ICSs was to cater for the tutors that had to provide assistance, guidance, evaluation to the participants that followed the advanced courses. So, the increase was mainly to deal with the real increase in the number of participants of the advanced courses. Returning to the comments made by Guatemala and Brazil, it was noted that the Academy did everything possible to have all its courses translated into the United Nations languages and would continue to do so as a main objective as it believed that that was one of the easiest and most effective ways to pass on information, knowledge and education about IP to different parts of the world where they do not necessarily speak English or French. The Secretariat further noted that it looked into translating all its DL courses into Arabic, Chinese and Russian, noting however that it took time and money. Referring to points that were specifically raised by Brazil, the Secretariat acknowledged that it had excellent cooperation with INPI Brazil. The Secretariat noted that it had concluded the customization of DL101, not only for Brazil, but also for other countries, as these customizations also included national legislation, policies, plans, strategies that related to the country in the field of IP, and, obviously, came closer to the reader's expectations. The Academy had also launched recently with INPI Brazil four courses in the area of patents that would be handled by the platform of INPI Brazil for all Portuguese-speaking countries around the world. It was also noted that the same thing was done with China and that the Academy had extremely successful cooperation with China. The Secretariat noted that that was a new experience that it was going through with Member States in order to decentralize some of its distance learning courses in specific languages and in specific regions. The Secretariat then thanked the Delegation of the UAE for its words of support. As to the question why the publishing was at zero, it was indicated that all publishing was done in-house, and, thus, the costs did not come up in the table.

203. The Chair reopened the floor to see if there were any further questions or comments on Program 11 and to see if those responses, those assurances were acceptable to address

concerns. Seeing no additional requests for the floor, the Chair turned to Program 30 (SMEs and Entrepreneurship Support), from page 86 of the English language draft Program and Budget.

204. Speaking on behalf of GRULAC, the Delegation of Guatemala thanked the Secretariat for the presentation of Program 30 and asked the Secretariat to include, as a performance indicator, the number of patent applications submitted by universities, since the contribution of that sector in economic development of its countries was of a priority.

205. The Delegation of Brazil noted that Program 30 provided many opportunities for cross-program collaboration in relation to the global IP services provided by WIPO, particularly the PCT. Studies showed that SMEs and universities had a major role in innovation, and they required action in order to support their efforts, as they had specific demands and characteristics. As was just suggested by Guatemala, the Delegation requested a specific performance indicator under ER III.6 to measure the number of PCT applications coming from universities, noting that that was an indicator in the budget of the last biennium and that it thought it is a useful way to help attract the filing behavior of the stakeholders. That would also demonstrate the positive impact of using the IP system on business competitiveness, knowledge sharing and economic growth in line with the implementation strategy of Program 30 and the broader overarching goals of IP protection.

206. On the issue of introducing the indicator of number of PCT applications from universities, the Secretariat clarified that what the Division did was to provide universities with support in developing their IP policies, noting that it had recently uploaded, on the webpage that concerns universities, a template, guidelines, and a checklist so that universities were able, through those tools, to develop their own policies. The Division also provided direct assistance when that was requested. The Secretariat commented that its only assessment or concern in introducing that indicator was that while, on the one hand, the Division was focusing on the policies, having the indicator as PCT applications, on the one hand, could be very easy for us to say that that was great because PCT applications were on the increase and that it would also look very productive, but by the time the university would introduce an IP policy and possibly file a PCT application would be years in between. So, the Secretariat asked what would be measured would be something, first of all, that had a very considerable time lag, two, three, four, five years. Research could take 10, 15 years before one would develop something that one could consider valuable in terms of filing an ePCT application. In that context, the Secretariat stated that it saw a logical gap between the activities that were provided and the suggested indicator, on the one hand, and, on the other hand, again, it seemed a little bit unfair that the Program should sort of piggyback on the excellent colleagues in PCT that provided an excellent service to the universities that file those applications, whereas the Program's services did not really target that specific activity of filing PCT applications. Again, The Secretariat confirmed that it could introduce the indicator, noting it was not sure that it would measure the quality of the services provided by the Division in that respect. The Secretariat concluded that it would, of course, leave it to the distinguished delegates to assess.

207. The Delegation of Brazil, thanking the Secretariat for its response, stated that the its was very much interested in developing IP policies at universities. The Delegation thought that one of the tasks in Brazil, back when Brazil had approved the innovation law in 2004, involved a lot of awareness-raising because, often, university professors/teachers would publish the results of the research without taking into account that, if they published it and they did not file later on, with the time limits of the national and regional legislation, if they did not file a patent, they would lose that priority and thus lose the patent and the opportunity to explore it commercially. The Delegation thought that there was a lot that could be done by the Division. The Delegation noted that it had just mentioned awareness-raising on the importance of protecting your invention for later commercializing, further noting that another

tool that the Delegation had discussed with heads of TTOs, Technology Transfer Offices in universities, was, for instance, a patent evaluation methodology. The Delegation explained that they often encountered many difficulties in measuring the value of the patent that they had in order to license it later, noting that universities were not interested in manufacturing the goods themselves that they invented, as they did not have the manufacturing capacity for large-scale production, nor was it in their interest. They focused on research. They produced public goods in the form of new products and processes, which were later transferred to society. The Delegation thought that it was important for to continue to signal the importance that universities had to the innovative ecosystem and that the specific indicator would help measure that.

208. The Chair noted that the very clear request to re-include an indicator on the number of patent applications by universities as had been there before and handed the floor to the Secretariat.

209. The Secretariat noted that, of course, it did provide the kind of services that the Delegation of Brazil had mentioned, noting that it had had discussions in the past with the distinguished representative from Brazil. The Secretariat confirmed that it did provide training on IP evaluation and, of course, on awareness raising on IP policies for universities, noting, again, that it had no major difficulty in adding that indicator. In conclusion, the Secretariat noted that it had been just more of a general consideration on the link between the activities that the Program provided and the actual indicator, but that there was no issue, of course, from its side.

210. The Chair noted that, unless he saw further requests of the floor, the indicator would be included and that that was well noted. With that amendment, the Chair then confirmed that collective contentment with the proposed budget for Program 30 (SMEs and Entrepreneurship Support). Seeing no further requests for the floor, the Chair took it as agreed, noting that that brought the discussion of Program 30 to a conclusion as well as that of Strategic Goal III (Facilitating the Use of IP for Development). The Chair suggested, as he had done for the first two Strategic Goals, that the Secretariat would kindly pull together a compendium of those mostly, very specific and precise adjustments that needed to be made to the proposed Program and Budget to present them in track change version so as to see what had been agreed subject to those changes. Noting no other requests for the floor, the Chair turned to Strategic Goal IV (Coordination and development of Global IP infrastructure), starting on page 89 of the English language version. He then formally opened the floor for comments on the first Program under Strategic Goal IV, Program 12 (International Classification and Standards).

211. In regard to the IPC revision management IT solution (IPCRMS), the Delegation of Brazil noted that, in its view, the IT solution still needed some improvements to benefit user necessity, further noting that one of the implementation strategies included the enhancement of the system. In that context, the Delegation suggested some potential improvements to that IT solution. First, the use of the system by the patent Office in languages other than English and French, in the Delegation's experience, was still restricted. The Delegation requests that perhaps it could be adapted to include translation to other languages at all stages, noting that the use of the IPC –E-forum had also not been completely absorbed by the IP-CRMS as it had been planned. Lastly, a new system able to identify cross cutting technologies using the international patent classification should be projected. In conclusion, the Delegation noted that those were some suggestions and that, of course, it would be happy to listen to the assessment of the Secretariat on those issues.

212. The Secretariat thanked the distinguished Delegation of Brazil for its interest and the questions on the IPC including the revision management solution (IPCRMS) and its suggestions. With respect to the first point about the other languages other than English and

French, the Secretariat pointed to the third bullet in the Implementation Strategies of the IPC, which stated, "Promote and facilitate a wider use of the IPC system by providing assistance for the maintenance and publication of the national translation of the IPC." The Secretariat noted that the IPCRMS had already had a functionality to support the national version of the IPC, commenting that Brazil had already used that functionality for the publication of the Portuguese version of the IPC. So, the Secretariat commented that it already had had a good collaboration with the Brazilian Office for the preparation of the national Portuguese version of the IPC. The Secretariat noted that it continued such kinds of collaboration and intended to enhance that functionality in the future. With respect to the second point about the integration of the E-forum to IPCRMS, it was noted that, in the current biennium, the Secretariat was conducting a feasibility study, and that based on the result of that feasibility, it would file that action in the coming biennium. On the third point, the cross cutting issue, the Secretariat noted that the possible classification about the cross cutting technology was now discussed under the framework of the Committee of Experts of the IPC, noting that the Committee of Experts would again discuss that issue in the next session next February. In conclusion, the Secretariat noted that it would support the discussion by Member States about such matters and that, depending on the result of the discussion, it would consider the possible integration of the outcome in the IT system.

213. Noting no further requests for the floor, the Chair noted Program 12 seemed to be acceptable and turned to the next Program under Strategic Goal IV, Program 13 (Global Databases), on page 95 of the English language version, and opened the floor for comments.

214. The Delegation of Brazil wished to apologize, as it had earlier not mentioned the outstanding work that Mr. Takagi and his team had done and emphasized that the delegation recognized the excellent work and cooperation between WIPO and the Brazilian Patent Office. Regarding Program 13, the Delegation supported the development of an extension to PATENTSCOPE in order to facilitate the inclusion of non-patent literature. This was a very positive goal that would provide valuable input for patent office activity and help to increase the quality of the patent examination. Regarding artificial intelligence-powered service, this was, of course, an area of intense activity at WIPO, and reference was made to the implementation strategy on page 95 regarding the Advanced Technologies Application Center, ATAC. The Delegation requested the Secretariat to provide additional information regarding the ATAC, such as the kind of activities developed in the biennium. The Delegation also noted a reference to the development of an AI-powered service in the form of a WIPO search for trademark. That could be a very useful tool to increase productivity and eliminate redundant work in the trademark office. The Delegation made reference to having mentioned earlier that they were in the final steps of acceding to the Madrid Protocol, and noted that it would, of course, also be very useful to the trademark office in its internal activity to maintain the productivity and the quality standards required by the protocol. The Delegation requested the Secretariat to provide information regarding the level of development of such a service and the cost recovery pricing model envisaged by the Organization with the tool.

215. The Delegation of Japan stated that, regarding Program 13, Global Databases, it acknowledged the importance to individual users and Member States of utilizing IP information and the importance of developing and maintaining such information. Thus, the Delegation strongly supported WIPO's efforts to develop global database services such as PATENTSCOPE, WIPO CASE, the Global Brands Database and the Global Designs Database. The Delegation particularly welcomed the expansion of the Global Databases' geographical coverage, the improvement of the quality and timeliness of the data provided and the first enhancement of visibility. The Delegation also appreciated WIPO's commitment to the digital transformation of its work and delivery of services, noting that IP Offices

worldwide were considering ways to use AI technology in their operations and services. The Delegation wished to support WIPO's challenge to develop and provide AI-powered services.

216. The Secretariat thanked the Delegations of Brazil and Japan for their strong support for the activities in connection with global infrastructure in Program 13. The Secretariat noted that ATAC was working on three areas. The first area was to explore and define new systems based on the artificial intelligence for processing text. Here there were projects like WIPO Translate. The second topic was the processing of images, where work was ongoing building classification systems, notably in the area of trademarks, and also image similarity search systems, like the system which had just been put into production in the Global Brand Database. And finally, the Secretariat was working on processing speech through a project to build a speech to text system that would be able to create verbatim reports from the videos of the different meetings at WIPO. Regarding the second question of cost recovery, the Secretariat explained that it had been approached by industry players who were also interested in development on AI, so the cost recovery measures would come from additional services the Secretariat would be able to create and would offer for a fee to those industry players. The Secretariat did not envisage for the moment cost recovery measures for the offices. If there would be applications of AI development for IP Offices, they would be provided for free-of-charge.

217. The Delegation of the UAE supported WIPO's initiatives to reinforce AI under the Advanced Technology Application Center. It appreciated the increased cost in the further development and operation of WIPO's Global Databases due to a broader geographical and language coverage. The Delegation wished to commend the work on WIPO Translate, the speech to text as well as image recognition. It appreciated the continuous work in that regard.

218. The Chair noted that there did not seem to be further requests for the floor, so he considered that Program 13 was acceptable to the Committee. He indicated that the Committee would continue with the next Program on its list, which was Program 14, Services for Access to Information and Knowledge, starting on page 99 of the English language version of the document. The Chair opened the floor for question or comments.

219. The Delegation of China thanked the WIPO Secretariat for their efforts to promote TISCs across the world. TISCs, also known as Technology Innovation Support Centers, would provide the developing country users with high-quality information service and other value-added services. Considering that that project was broadly welcomed by developing countries and had achieved good results, the Delegation suggested to WIPO to expand the geographical coverage of the TISC network and invest more resources in that regard so as to help those TISCs that had already been created or were to be created to provide users with more professional service. The Delegation also wished to take the opportunity to thank the Secretariat for their support to help China's creation of TISCs because seven TISC centers had already been created in China. In the next half of the year, the Delegation indicated that China was going to establish more TISC centers, which would help their users to gain access to IP information.

220. The Secretariat thanked the Chinese Delegation for their very strong support, noting that it had been enjoying very close cooperation with China in establishing the first seven TISC centers in China. The Secretariat took note of the delegation's suggestion to expand geographically the TISC networks, which had also been included in the Program and Budget proposal. The Secretariat also noted, for information, that it had managed to establish the maturity level 3 TISC centers in the various regions: in Africa in South Africa; in the Arab region in Morocco; in the Asia Pacific region in Malaysia and the Philippines; in the Latin America and Caribbean region, in Colombia, Cuba, and the Dominican Republic; and in transition countries, in the Russian Federation. All those eight TISC networks were

dispersed geographically in all corners of the world, and would become a core, the nucleus of the global network of TISCs. The Secretariat would cooperate with the first group of eight TISC networks so that WIPO may ask them to be a driver and collaborator to promote TISCs in each respective region.

221. The Chair thanked the Secretariat for the responses and reopened the floor to see if there were any further observations or comments on Program 14. As there were no further comments, Program 14 was taken as agreed. The Chair proceeded to turn to Program 15, Business Solutions for IP Offices, starting on page 103 of the English language version of the Program and Budget document. The Chair opened the floor for questions and comments.

222. The Delegation of Guatemala thanked the Secretariat for presenting the proposal, as well as for the work done by the Secretariat in the division of Mr. Takagi. The Delegation stated that there had been a decrease regarding the improvement of technical infrastructure and knowledge of Offices and other IP institutions that allowed them to provide better services, in that case, having to do with the IPAS platform, which was used by several Offices in the region. It was important not to lose sight of continuing to work on improving quality indicators in this Program.

223. The Delegation of the UAE thanked the Secretariat for the proposed program for Program 15. It also commended the work of IPAS, with which it had conducted a lot of work for trademarks within the UAE. The Delegation had just one question in terms of consistency. Regarding the risk and mitigation action, the lack of access, as already mentioned in the Delegation's statement regarding Program 3 and the response from the Secretariat, was that Program 3 worked together with Program 15 in inviting relevant stakeholders to participate in the WIPO Connect project. In that light, the delegation wished to request to have the same risk mitigation action to be reflected in Program 3 in terms of consistency, and if the Delegation's idea was relevant to the Secretariat, and wished to better understand the risk and mitigation action.

224. The Delegation of Brazil appreciated the opportunity to discuss Program 15, indicating that it was very much supportive of the Program. The IPAS office facility was used by many developing countries, including Brazil, in the case of trademark applications, with very good results. To ensure that, adequate resources needed to be provided in the next biennium, especially in case countries join the Madrid Protocol, such as is Brazil's case. In that sense, the Delegation fully supported what was stated by the Delegation of Guatemala and the request for clarification that it had made. Regarding the redesigned IPAS system, some aspects regarding customization options and functionality were mentioned in the implementation strategy. The Delegation wished to know what those options would be in the IPAS. What would be the autonomy that would be granted to the IP Office in that? Lastly, regarding the WIPO Publish, the Delegation was interested in incorporating that into the IT tools utilized by the industrial property Office. The tests that it had made showed a very promising start on the WIPO Publish, and the Delegation looked forward to engaging bilaterally with the Secretariat to ensure that.

225. The Delegation of Japan highly appreciated the fact that a large amount of budget was allocated to Program 15, Business Solutions for IP Offices, since one of WIPO's most essential roles was to enable the IP Offices in developing countries themselves to provide knowledge-based services to the users by creating the necessary infrastructure and support.

226. The Chair inquired whether there were any further requests for the floor. As this was not the case, he turned to the Secretariat to respond to the questions and requests for clarification.

227. The Secretariat explained that, first of all, regarding the resources question, there was a decrease in resources. As explained in the draft Program and Budget, there were a couple of program activities transferred out from Program 15 to other Programs. That was the main reason for the slight decrease in financial resources. Having said that, the Secretariat really appreciated the support from Member States and delegations for that Program and noted that it had stretched the capacity and the resources to just deal with the enormous demands, as well as to take care of any constant updating of the IPAS suite software. As a result, the Program needed more resources, without which there would not be any further possibilities to strengthen the resources plan. The Secretariat recalled two questions, one was raised by the Delegation of the UAE, which was related to the risks for the WIPO Connect project. That was something where, obviously, Program 15 could not decide unilaterally to add a risk to Program 3, but the Delegation was quite right that the same risks should be reflected in both Programs because they were working very, very closely together on mitigating those risks and having agreements, especially the international organizations responsible for copyright management. So, the two programs were closely coordinated on that. The other question was from the Delegation of Brazil, asking for more details on what future options would be available for customization. As the Delegation probably knew, the Secretariat had been running the program for more than 15 years. During that time, it had accumulated a lot of feedback and a lot of knowledge about the way IP offices should work, noting further that WIPO Secretariat was working to make several things more flexible, and three or four examples would illustrate that. One example was fee calculations. Different legislations had different ways of calculating fees, with many, many different options. The Secretariat was trying to make that as flexible as possible, allowing for different types of IP registration, because, although it supported patents, trademarks and designs, there were a number of Offices, which had other types of IP registrations. There could be computer programs, geographical indications and other forms of IP which may need to be registered, so the Secretariat wanted to provide more flexibility for that. It wanted to provide more integration with global IP systems and global systems in general. The Secretariat noted that the Delegation of Brazil had mentioned integration with the Madrid System. WIPO Secretariat considered that IPAS's better integration with the Hague, PCT and also international standards and classifications was also needed. Then there were a new set of requirements to help IP offices to get more statistical and performance information from the administration system. That was something which would allow IP offices to identify key performance indicators and then to be able to track those within the system, including things like deadlines, response times and productivity. Finally, the Secretariat wanted to provide a more usable system, including more options for customization of the actual user interface and what appeared on the screen in front of the examiners, and so on. The Secretariat wished to provide two further clarifications - one of them on the resources. The decrease in resources was on the personnel resources. There was no real decrease, it was only that the same people were costing less. Looking at the non-personnel resources for the Program, it was exactly the same proposed budget as it was in 2018/19. The other point was about the risk. The Secretariat suggested that it would work together with the Program Manager and the Delegate of the UAE to see how best to address the risk question. The issue was that it is not good practice to have the same risk in two Programs, as the responsibility and the accountability for the risk would be diluted. However, a second Program could contribute to the mitigation action. In order to sort that out, the Secretariat suggested to work with the Delegation and the Program in order to best address that.

228. The Chair confirmed that he would revert to that very precise issue on whether or not to address that risk, given it was not particularly good practice to reflect it twice. He wished to check to see whether or not the delegation was happy with that or whether it was still requesting inclusion of some mitigation.

229. The Delegation of the UAE agreed with the Secretariat to discuss on how to move forward. It clarified, however, that what was coming behind the issue was that we were

removing the IV.2 Expected Result from Program 3, so there was no access to IP mentioned in Program 3. That was why the delegation had this concern. Of course, the delegation could work closely with the Secretariat in addressing this matter.

230. The Chair confirmed he would come back to that point, and reopened the floor more generally on Program 15, Business Solutions for IP Offices, to see if there were any other questions or comments or concerns. Otherwise, indicated the Chair, as always, silence was golden and, subject to resolving that one precise question from the Delegation of the UAE on the risk mitigation, he understood that the Committee was happy with Program 15. That certainly seemed to be the case, and that brought the Committee to the end of Strategic Goal IV, Coordination and Development of Global IP Infrastructure. The Chair thanked the Secretariat for their engagement and indicated that discussion would move shortly to Strategic Goal V, which was World Reference Source for IP Information and Analysis, and Program 16, which was the only Program under that Strategic Goal. The Chair wished to recap again, as Strategic Goal IV was brought to a conclusion. What he suggested, as was done on the first three Strategic Goals, was that he would ask the Secretariat to capture all of the agreed changes to the four programs under that Strategic Goal. He considered that that was relatively easy because there was only one final issue under Program 15, which would be captured. Otherwise, it had sounded to the Chair like the four programs under Strategic Goal IV were all acceptable to the Committee.

231. The Chair then turned to Strategic Goal V, World Reference Source for IP Information and Analysis from page 106, and Program 16, Economics and Statistics on page 107, and opened the floor for comments.

232. The Delegation of Guatemala wished to ask a question within that Program, particularly with regard to the performance indicator regarding statistical data for the biennium 2020/21. The question was whether or not there was already provision within that indicator for the inclusion of statistical data for copyright.

233. The Delegation of Indonesia, speaking in its national capacity, wished to highlight and thank the work of the Chief Economist of the Organization. The Delegation understood that economics and statistical data analysis were very important in any policymaking and decision-making, including within the field of intellectual property. It was not only about the legal system, but it would really shape the way we view and the way we decide on what kind of policymaking any country or international community should take in the field of intellectual property, and it would be impossible without good economics and statistical data and analysis. With regard to that, first of all, the delegation wished to commend and welcome the introduction of the performance indicators on the economic studies and the creative economy studies. The delegation had been putting a lot of emphasis on the importance of creative industries as one of the fields of intellectual property that the Organization had to also focus on. It noted that in recent publications of WIPO, there had already been some data on the creative economy. It understood that this was preliminary, however, the Delegation was looking forward to future publications on the creative economy, including more data from more countries that were members of these organizations and not only the limited set of countries in the recent publication of WIPO on the creative economy. Regarding the question raised by the Delegation of Guatemala on behalf of GRULAC, the Delegation also understood that it was important to have studies, statistical data and analysis on copyright as well, not just on the global innovation system and industrial property.

234. The Delegation of Brazil, like others, also recognized the great value and professionalism of the work undertaken by the Program. The Global Innovation Index gained a lot of attention every year not only from the specialized public but also from the media in general. The Delegation considered that that was the cause of the important results that were being achieved by the Program, which had made a very important contribution to

Member States in the improvement of IP statistics. It recalled a program in past years with the Office of the Chief Economist, which was very successful, and it encouraged the continuation of those efforts. The delegation indicated that it would also be interested in the development of a webpage with dynamic statistics, which was something that could be done in the future by the Office of the Chief Economist. An example of a dynamic statistics webpage was the WIPO data center, which was very, very useful and very user-friendly, and which the delegate had often used as well. Another important area in the Program, said the Delegation, was the assistance for the execution of studies on IP-intensive sectors and their economic contribution, including studies using the microdata of applicants, including nonresidents, in topics such as global or transnational innovation clusters. Another one was to study the economic importance of geographical indications in developing countries. That was a gap that the Delegation had noticed in the studies. As also mentioned by the Delegation of Guatemala on behalf of GRULAC and the Delegation of Indonesia, the Delegation was also very much interested in study work on the creative industries. It had some results nationally, and considered that if there would be a flagship study or something like that provided by WIPO, it would be very useful for developing countries.

235. The Delegation of Argentina thanked the Secretariat for the presentation of Program16. It considered that that was extremely important given the geographical and statistical ambit of the Program, particularly with regard to the Global Innovation Index. The Delegation wished to ensure that the Organization continued contributing to developing capacity in developing countries so that the latter could collect statistics on IP. With regard to the statement made by the Delegation of Guatemala on behalf of GRULAC, the Delegation also wished to say that it seemed of vital importance to have economic studies on the incidence of copyright and related rights on the economy of countries so that there would be a basis for baselines and to ensure availability of the statistical data on the use of copyright and related rights in the digital area, particularly with regard to the distribution of the same.

236. The Delegation of Malaysia commended the great work of the Division in preparing a lot of statistical publications. In its view, the good work was, of course, reflected in the quality of its publications, especially the GII, which the delegation found a very useful publication for Malaysia. Evidence-based policymaking was also important. The Delegation had a question with regards to the implementation strategies on page 107, bullet point 4, "(...) continue to benchmark innovation performance by reaching and co-publishing the Global Innovation Index (...)". That was something very welcome, but if the Delegation were to compare it to the implementation strategies from the previous biennium, there was a focus perhaps to explore opportunities for the development of other global indices that would inform decision-making on economic policies and strategies. The Delegation asked for clarification on whether this was something that was being looked at in the current biennium.

237. The Secretariat thanked the delegates for their thoughtful interventions. It noted that this was also a good opportunity to thank Member States for their contributions to the Program, which were highly appreciated, in particular regarding the returns that were received to the various statistical questionnaires. The Secretariat did not take that for granted, as it recognized that it required time and effort to respond to its surveys. It further noted that the fact that for its industrial property statistic survey, it received more than 130 responses and pretty much had global coverage, was really excellent, and was owed to the efforts of everyone. With respect to the specific comments that were made, the Secretariat noted that there were quite a few comments on statistics and economic research in the area of copyright or the creative economy more broadly. The Secretariat emphasized that it had an economic research program on the creative economy that was still relatively small in size, but that had also now produced its first outputs in the form of studies that looked at the evolution of creators' income. In the area of statistics, last year, for the first time, the Secretariat published a joint survey on the global book publishing market, and

would soon release the second edition. Its strategy in that respect was, in a sense, to recognize that the approach that it was taking in the area of industrial property, which was to survey industrial property offices about how many patents, trademarks, industrial design rights and so on they received and registered, was not the right approach in the area of copyright. In many countries, there were copyright registers. However, copyright registration was usually a voluntary act, and the kind of information one could obtain from copyright registers, for that reason, was more limited. Instead, the Secretariat had taken the approach of saying that it needed to collect data on the creative industries more comprehensively, which was why it started with the book publishing industry. One major challenge for the Secretariat was that it was different compared to what it had done historically in that the relevant data really existed with industry stakeholders. So there it had partnered with the International Publisher's Association. The Secretariat still ran a survey that was addressed to Member States, but often the data came from national publisher's associations. The Secretariat was pleased to report that it was making progress, and the book publishing survey that it published last year relied on responses from 38 countries. For the current year, it was able to expand this to 56 countries, which, of course, was still short of what it had done or achieved in the area of intellectual property. Of course, it had taken years and decades to get to that level. This was just one creative industry and the Secretariat very much hoped that it could expand this work to other creative industries and that way obtain a more comprehensive picture and at least a statistical picture of the creative economy. In that regard, it also could reply to the question from the Delegation of Malaysia on other global indices, which was something that was still on its mind. Maybe when the Secretariat ventured in that direction in the write-up for the current biennium, it may have been a bit overambitious. However, any new global index that was intended to add value and was intended to be original would really need to rely on original data. So, for example, if the Secretariat were to publish a global creativity index or index on the creative economy, the basis for that would be really to have reliable and comparable data. That was really important for those composite indicators. Reliable benchmarking could only be done if comparable data was available, so work would first need to be done on the underlying data infrastructure. This had been the main preoccupation and would continue to be in the foreseeable future, but the Secretariat would certainly still be open to that idea of other global indices and would look at opportunities to do so. The Secretariat also very much appreciated the specific suggestions from the Delegation of Brazil on dynamic data tools or IP statistics, including the data center. At least from the user statistics that the Secretariat generates, that seemed to be a highly used, very popular tool, and the Secretariat was always looking for opportunities to improve it. Suggestions about what user needs were that could be addressed would be very welcome. The Secretariat acknowledged that there was probably more that the Secretariat could do in the area of visualization, and this was something under discussion. Member States were free to convey any specific requests on this matter to the Secretariat.

238. The Delegation of Pakistan joined others in appreciating the Division in providing the statistical publications and for its hard work. However, it wished to express the serious concern of the Delegation regarding how the information was compiled on the GII. It suggested that a notification mechanism should be provided every year by the Division to all Member States to provide any required information that would be later on compiled for the GII because it was observed, based on its personal experience, that at times a few missing datasets impacted the global listing negatively, and did not provide an objective impression of a country's global listing in the GII. There was another issue of indicators, because the Delegation observed that those kept on changing, varying from year-to-year in the compilation of the GII. The Delegation could not agree more on the importance of comparable data. So, in that case, since the indicators kept on changing from year-to-year, entering temporal comparisons became really difficult for Member States. The Delegation wished to draw the Division's attention to that and requested it to consider these aspects for the improvement of listings in the GII.

239. The Delegation of Indonesia thanked the Secretariat for the responses to its comments earlier. One thing that the Delegation wished to ask, if it was possible, recalling that the Organization was built not just based on the Paris Convention but also the Berne Convention, was whether the performance indicators on V.2 could be changed from number of downloads of creative economy studies to number of downloads of copyright and creative economy studies. If the Economic and Statistic Division's studies were only for creative economy in that biennium, at least there would be a performance indicator that would allow, if the opportunity arose, to do something on copyright as well.

240. The Chair invited the Secretariat to respond to the questions on the GII and on the suggestion on the performance indicators.

241. The Secretariat indicated that it did not see a problem with the latter suggestion, although it would also seek the advice of the Program Performance and Budget colleagues on it. As far as the direction of the work was concerned, it would be totally in line with what the Program was seeking to do. Regarding the question from the distinguished Delegate of Pakistan on the GII data, the Secretariat wished to make a few observations. The Global Innovation Index consisted of something like 80 variables and the great majority of those variables were not variables that relied on data collected by the Secretariat. These were data points that were collected, for the most part, by other international organizations. The Secretariat got quite a few data points from UNESCO, it got data from the World Bank, from the International Telecommunication Union, and out of different United Nations databases, for example, out of the Comtrade database as far as trade statistics go. The Secretariat very much worked with its statistical contact points in these organizations to make sure that it had access to the latest available data. All of those other international organizations ran their surveys, they relied on submissions of their Member States to their surveys to collect the data. That was really important because, at the end of the day, to ensure the comparability of the data points, they made sure that the collection of data was in line with the data methodologies that they had advanced for years. And for that reason, the Secretariat had consistently said that if there were missing data points, relevant Member States needed to work with the international organizations concerned. The Secretariat could not accept data on variables that went into the GI unless they really had been validated by the responsible international organizations. That was important to ensure the credibility and comparability of the data that went into this publication. There was of course, one exception for that, that concerned the Intellectual Property data that went into the GI. For that, the Secretariat was responsible and were the ones who, in a sense, set the methodology, collected the data, and, of course, followed up on its surveys, trying as best as it could, to work with the statistical contact points. Regarding the second question, it was correct that the composition of the Global Innovation Index changed from year-to-year. That partly had to do with the fact that sometimes certain data points were not available anymore. Sometimes also, the Secretariat discovered opportunities to use better variables for existing variables, and sometimes it also had to do with the fact that underlying methodologies changed and the Secretariat could no longer rely on an existing indicator. The Secretariat emphasized that whenever it spoke on the Global Innovation Index, it would always try to make it clear that direct year-on-year comparisons were to be treated with extreme caution. The fact that one country went up in the Global Innovation Index from one year to another could be as much due to better or worse innovation performance as it could be due to methodological changes. The primary objective of the Global Innovation Index was to have a tool that allowed a benchmarking that allowed comparison at any given point in time covering a large spectrum of countries. There were about 130 countries in the Global Innovation Index. The only criterion used for countries to be included was the data availability criterion. The Global Innovation Index was really not designed to be a tool to track innovation performance over time. If there would be a tool like that, for example, at the European level, it could be argued that the innovation scoreboard offered a tool like that, a tool that relied on a smaller set of variables and that inevitably would also cover a much smaller set of countries would

invariably be needed. Given the history and the purpose of the GII as a tool that enabled cross-country comparison, the Secretariat felt that that really should be the primary objective. Whenever there was communication about the Global Innovation Index, the Secretariat tried to make clear that these year-on-year comparisons had to be treated with due caution.

242. The Chair thanked the Secretariat for the responses, and noted that he would just take a couple of minutes and see if he could close the agenda item before lunch. He opened the floor again for questions and comments, particularly referring to the suggestion by the Delegation of Indonesia to amend the final indicator under V.2 on page 108, which said number of downloads of copyrights and creative economy studies, and to add copyright and the four creative economy studies into that final indicator. The Chair noted that the Secretariat were nodding that that was most definitely possible. The Chair looked to the Committee for its agreement to that.

243. The Delegation of Azerbaijan thanked the Secretariat for the work done on that. It wished to know one thing with regard to the Global Innovation Index - when the Secretariat looked at and analyzed the results after they were published and the Global Innovation Index came out, did it also analyze the indices and indicators on the Davos Forum Global Competitive Index. The latter had some compensatory indices which would be related that. It also highlighted the significance of the fact that the Secretariat's indicators at a certain time were actually very different from other indices with regard to competitiveness that came out of Davos.

244. The Secretariat responded that it was probably a good thing that its Global Innovation Index was different, because if that were not the case, it would have meant that it would have been more or less measuring the same thing. The World Economic Forum's Global Competitive Index was really designed to measure competitiveness, which was a relatively broad concept, but it was certainly a concept that was different from the more narrow concept of innovation the Secretariat was trying to get at with the Global Innovation Index. The Secretariat continued, noting that just looking at the set of variables that went into the Global Innovation Index, it had really a different research direction compared to the World Economic Forum's index, which also had a very different methodology. It relied mainly on responses to a survey that the World Economic Forum sent out. These were responses mainly from companies about the state of competitiveness in different countries. To a small extent, the Secretariat relied on some of their survey responses also for the Global Innovation Index, but that overlap was relatively minor. The Secretariat reiterated that those were different indices that measured different things. Sometimes it was interesting to see that there were certain countries that performed well in one index and not well in another and asking the question why this might be so was worthwhile. In that sense, concluded the Secretariat, all of the indices had their uses.

245. The Delegation of Malaysia thanked the Chair for the floor and noted that it would be very brief. Reverting to its comment on the development of other global indices, it noted that it would be preferable to its delegation if the Chief Economist would agree to reinsert the same language, because it was nothing binding to explore opportunities after all. That was something that the Division was undertaking anyway.

246. The Secretariat responded noting, that it agreed, with that with the understanding that it would ask the Membership to have realistic expectations of what could be achieved in the biennium. In terms of the longer-term direction in which its work was aimed at, it noted that it would be totally fine.

247. The Chair thanked Delegation of Malaysia and the Secretariat for that. He then continued by asking the Committee whether it was content with Program 16, which was the only Program under Strategic Goal V, subject to two changes, namely to a change proposed

to amend the performance indicator under V.2 to say “number of downloads of additional copyright and new creative economy studies”, and secondly, the proposal just suggested to amend the fourth bullet point on page 107 to amend that in line with the previous Program and Budget for the current biennium which had language around exploring the opportunities to develop new indices. The Chair indicated that he was putting this to the Committee, and since silence was golden, and silence was agreement, he took these as agreed.

248. The Chair summarized the changes that had already been and explained that the Secretariat had prepared a track-change version of the Strategic Goals discussed that morning, adding that that would be circulated shortly. Before that, the Chair proposed to go through the changes that had been agreed. Two changes had been agreed on by the Committee on Strategic Goal III, Program 8, those were both on page 66, namely, to add a ribbon at the top on the Sustainable Development Goals and to add a chart showing the cross-program collaboration. On Program 9, page 71, in the results framework, there was agreement to restate the Performance Indicator on the number of countries that were revising their IP strategies. Secondly, the breakdown of the Regional Bureaus would be included in the Q&A document. Thirdly, explanations for the changes and resources for ERS III.4 and IV.2 would be included in the Q&A document. On Program 10, there were no changes proposed, that was deemed acceptable to Members. On Program 11, similarly, there were no changes proposed, and it was deemed acceptable to members. On Program 30, the final Program under Strategic Goal II, there was one agreed change to the Results Framework on page 87 to reinstate the performance indicator on the number of PCT applications originating from universities and research institutions. Otherwise, Program 30 was deemed an acceptable tool. Turning to Strategic Goal IV, there were no changes proposed on Programs 12-14, which were deemed acceptable to Members. On Program 15, there was one question on the risk and mitigation matrix and a question about whether to include an explicit risk mitigation with the risk about duplications in another program. On that, the Chair had a suggestion, which he believed to be acceptable to the Delegate who had raised the issue, and that was to revise the second mitigation action on Program 15, page 104, as follows: “in close cooperation with Program 3, invite relevant stakeholders to participate in the WIPO Connect Project to share relevant information.” That was designed to both reflect the importance of mitigating that risk and to acknowledge the interlinkages with Program 3. Seeing that Program 15 was deemed acceptable to all, the Chair turned to Strategic Goal V, Program 16 on page 107, Implementation Strategies. On the fourth bullet point, it had been agreed that the text would be reinstated, as followed: “explore opportunities for the development of other global indices that would inform decision-making on economic policies and strategies.” That had been included in the Program and Budget for 2018/19, it was not a new draft but was put back in accordance with the explanations that had been given by the Secretariat. Finally, the second change that had been agreed on was on page 108 of the Results Framework. It was a modification of the performance indicator to include “copyright and”, so it read “number of downloads of copyright and creative economy studies”. That was the summary given by the Chair of the discussions that had taken place that morning. Seeing that there were no requests for the floor, the Chair turned to Strategic Goal VI.

249. The Chair explained that Strategic Goal VI, “International Cooperation on Building Respect for IP”, and Program 17, the only Program under that Strategic Goal, “Building Respect for IP”, was on pages 110 and 111 of the English version of the Program and Budget. Seeing that there were no requests for the floor, the Chair moved on to Strategic Goal VII.

250. The Chair turned to Strategic Goal VII, “Addressing IP in Relation to Global Policy Issues”, and there was one Program under this Strategic Goal, which was Program 18, “IP and Global Challenges”, on pages 115 and 116 of the English version.

251. The Delegation of Switzerland explained that it attached a great deal of importance to WIPO Re:Search and WIPO GREEN initiatives and thus welcomed the ongoing efforts to develop those platforms as described in the Implementation Strategies. As public-private partnerships, those initiatives, continued the Delegation, were important areas of cooperation between the owners of IP and other interested actors wishing to use these technologies. The Delegation commended, in particular, the strategies aimed at increasing and expanding WIPO GREEN and was convinced that the Organization would manage to do this by implementing the strategic plan for 2019 to 2023, including strengthening promotional activities. The Delegation moreover believed that WIPO had an important role to play in the general overall policy debate on IP and global issues. That was further evidenced by the trilateral cooperation with WHO and the WTO, to which Switzerland attached a great deal of importance. The Delegation said it would encourage the Secretariat to continue WIPO's engagement in the United Nations System and other international fora based on the agency's expertise, which should be made more visible in the work being done internationally. That was also valid for the environmental health sector.

252. The Delegation of Japan appreciated WIPO's ongoing activity in addressing various global issues, in particular WIPO Re:Search and WIPO GREEN, two initiatives in which Japanese industry was actively involved. The WIPO Japan Office, explained the Delegation, was conducting promotional activities for WIPO Re:Search and WIPO GREEN among Japanese companies and universities in 2018 and 2019. The WIPO Japan Office would work continuously on those initiatives also in the 2020/21 biennium. The Delegation reiterated the importance of creating a framework that enabled industry to voluntarily contribute to global issues. In that regard, Japan wished to continue to actively cooperate with WIPO.

253. The Delegation of China thanked WIPO's efforts to promote WIPO GREEN and WIPO Re:Search platforms. The Delegation believed that Program 18 was closely connected to the United Nations 2030 SDGs implementation. The Delegation further noted that, in the next biennium's draft Program and Budget, resources had been cut by 14.3 per cent and that WIPO GREEN and WIPO Re:Search Strategic Plans would be further promoted in the coming years, including to expand the two platforms and enhance cooperation with stakeholders in developing countries. Therefore, the Delegation wished to seek clarifications from the Secretariat on why the budget had been cut and if that meant that those projects and that Program could still be implemented properly.

254. The Secretariat thanked the three delegations for their interventions and for their encouragement to the platforms under the Program. As the Delegations of Switzerland, Japan and China had said, both platforms were doing very well. As they had identified, the WIPO GREEN platform now had a new strategic plan, which the Secretariat was hoping would take it to the next level. WIPO Re:Search, as all were aware, was doing very well and it only needed the support of the Member States to get more membership and more actors to actively engage. WIPO Re:Search, as the Delegation of Australia had indicated, had been bolstered by Australia's voluntary contributions through FIT Australia undertaking a number of fellowship programs which supplemented the capacity-building aspect of that Program. It was hoped that Australia would continue to support Program 18 in the next tranche in the next tranche of FIT funding, specifically as regards capacity-building by placing scientists from developing countries in research institutions in Australia, Europe, and the U.S. The WIPO Re:Search fellows program had really helped quite a number of scientists to advance their research in the area of diagnostics, vaccines, and medicines for neglected tropical diseases, tuberculosis, and malaria. With regard to the particular question from the Delegation of China, as it has been explained in the resource explanations for Program 18, page 118, the apparent decrease was not about the activities or the programmatic activities. Rather, a position had been moved out of that Program, the activities themselves would not be affected by the movement of one person to another sector.

255. Seeing that there were no more requests for the floor, the Chair acknowledged that there was general agreement with Program 18, IP and Global Challenges.

256. The Chair turned to Strategic Goal VIII, “A Responsive Communications Interface between WIPO, its Members and all Stakeholders” and turned to Program 19, the first Program under that Strategic Goal, which was Communications, starting pages 120 and 121 of the English language version.

257. The Secretariat thanked all delegations for their interest in Communications, which had been expressed in past sessions over the previous few days. In response to the two questions raised regarding the availability of more content in all six official languages, both were on the website and in WIPO’s publications. Regarding the website, Communications ensured that all top-level pages, those that were accessible from the top-level navigation, were available in the six official languages. In addition, all press releases and web news items, which were displayed on those pages, were also available in all six official languages. In fact, explained the Secretariat, there was fresh web information available weekly, and in many cases, daily on the website. Such content represented the most up-to-date information about WIPO’s activities, which, of course, emphasized the informative content about IP itself, which was the core of WIPO’s work. There was always room for increasing content in all six official languages, and Communications would work towards that in the 2020/21 biennium using a three-prong strategy. First, Communications would work both with content owners, who were the substantive experts, and the language division to increase the amount of content available on the lower-level sections of those six official language landing micro-sites. It would also work to ensure that cross-linked content, which was unfortunately a manual process due to the age of the content management system, which dated back to 2005. In the medium term, Communications was working to modernize the underlying web content management system, which eventually would enable them to publish content more rapidly and perhaps use some technological solutions to make local language content more available pending quality reviews. The Secretariat did not know if there were any comments on that regarding the website. Regarding the publications language strategy, the Secretariat wished to give reassurance that the Communications Division fully supported WIPO’s official language policy, which was to publish as much as possible in all six languages. Flagship publications were the most important knowledge products of WIPO, continued the Secretariat, those spoke with authority to a global audience on substantive, economic and policy issues in IP. Producing those flagship reports, which were frequently well over 100 pages, was resource-intensive and could take quite a long time to do, but several strategies were being implemented to bring more of this content to light as quickly as possible. The biggest game-changer had been the new practice of publishing executive summaries and the key findings of all flagship reports as quickly as possible, which was frequently under three weeks. The speed in that delay could be improved, and that would be worked towards in the new biennium. The magazine was also a source of very interesting information about IP as well as WIPO’s work. As delegations knew, the magazine came out six times a year and was officially published in English, French and Spanish, although some joint publishing partnerships to ensure that the other three languages could be available as quickly as possible were being explored.

258. The Delegation of China thanked the Secretariat for its response on the issue of languages. Based on this the Delegation considered that, while implementing the language policies, the Secretariat had done a large amount of work. It was also satisfied to note that, in future, there would be more multilingual content, particularly in the lower-level content. Also for the WIPO publications, the Delegation noted that the Secretariat would do its best to provide those publications in different other languages. It further noted that, for the WIPO magazine, the other three official languages were still lacking, and the Secretariat had said it would work on this. Therefore, the Delegation wished to commend the Secretariat for its

positive spirit, adding that Member States would welcome seeing substantive results soon if indeed there was a better planned way ahead to achieve such a goal.

259. The Delegation of the Russian Federation thanked the Secretariat for the detailed explanation provided, which related to the work already done and also the long-term plans to expand the volume of content in all official languages of the Organization. It was happy to note the proactive activities here. In that connection, it wished to propose that that be reflected in Expected Result VIII.1, which would take into account that all of the material was being translated not only into English, French and Spanish, but also into all of the other official languages of WIPO as well.

260. The Delegation of the UAE supported the statements delivered by the Delegations of China and Russia and joined them in thanking the Secretariat for the presentation about adopting the six languages as per the linguistic policy of the Organization. Based on the explanation from the Secretariat on the performance indicator for Expected Result VIII.1, the Delegation wished to be more specific in asking the Secretariat to include an indication of working towards targeting all of the official languages of WIPO for the WIPO magazines. The Delegation commended the Secretariat in preparing the press release in six languages and looked forward to the work ahead, which it understood to be timely and not an easy task.

261. The Delegation of Brazil recalled a request made in 2017 to develop a sort of a directory with a list of employees of WIPO that could be used by delegates in Geneva to contact WIPO staff. The Delegation asked if the WIPO delegate application, which it believed was the official name, was available. That application only involved the higher management of WIPO. The Delegation said that it was often necessary to talk at a technical level to discuss a specific issue requested by their IP Office and wondered if it would be possible to have a similar list with a list of all staff and their telephone numbers. The Delegation understood that that was cumbersome, but since the next biennium was being discussed, it wished to take the opportunity to ask this.

262. The Delegation of Guatemala, speaking in its national capacity, supported the proposal as requested by the Delegation of Brazil. It believed that the existence of a directory was very useful, it would be an important tool to have for the Member States for direct contact with the Secretariat.

263. The Chair summarized the questions and three specific proposals, one from the Delegation of the Russian Federation on a new performance indicator under VIII.1 and, from the UAE, an additional suggestion of a new performance indicator under VIII.1. Finally, there was a suggestion by the Delegation of Brazil supported by the Delegation of Guatemala for a directory of staff members.

264. The Secretariat thanked delegates again for their support and interest in Communications. Concerning the suggestion made by the Delegation of China for a planned and strategic way forward, the Secretariat explained that there was a plan, a combination of the modernization of technology and a closer collaboration with the Organization's translators, substantive experts and representatives in external offices to make sure that the most important documents and publications were available in a minimum of all six official languages. The Secretariat pointed out that the Communications Division had undertaken a very intensive review of all its publications the previous year and identified a list of roughly 40 core publications that described IP in general in quite some depth as well as all of WIPO's services and programs that supported its mission. Most of those publications were available in all six languages. There were a few gaps, but the Secretariat planned to attend to those diligently in the following biennium. The Secretariat also wished to point out that press releases had become an integral part of the content strategy with all press releases being produced in at least nine languages including the six official languages plus Japanese,

Portuguese and German. That reflected a very substantive increase in the content that was available to local markets because those press releases were, in fact, very content-rich, they featured a lot of data and tables summarizing the key points of the publications that they reflected or the new initiatives that WIPO had undertaken. That was a recent development over the previous year and efforts in that direction continued. The practice had not been reviewed in all the United Nations agencies, and it seemed that WIPO may be one of the only United Nations agencies with that nine-language practice. The Secretariat had taken due note of the request concerning the inclusion or modification of KPIs to reflect all languages. As Member States were aware, language translations could be done very quickly using machine translation, but that gave rise to a risk of lack of quality control. Communications, translations and substantive experts were constantly working together to balance those two demands and would certainly strive to make improvements in the upcoming biennium. The Secretariat had also taken due note of the request for additional contact information on the WIPO Delegate App, which it would investigate further that year.

265. The Chair invited delegations to propose specific changes to the text under review.

266. The Delegation of the Russian Federation, thanked the Secretariat for its detailed explanation of the work done including information about the translations of WIPO's press releases. Concerning the proposal from the UAE to put an additional paragraph in the performance indicators under ER VIII.1, the Delegation expressed its gratitude for the support thereby shown to the position of the Delegation of the Russian Federation by the Delegation of the UAE.

267. The Chair summarized discussions by saying that the first proposal on the WIPO magazine was to have an additional performance indicator under VIII.1, page 122, about expansion into all six official languages.

268. The Delegation of Indonesia wished to follow up on its remarks with regard to Program 3 as one of the expected results in Program 3, that of more effective communication to a broad and diverse public on Intellectual Property and WIPO's role, seemed to have shifted and been moved to Program 19. The Delegation requested clarification on how actually Program 19 was going to do the work that had previously been done by Program 3, particularly in the field of copyright and creative industries. All the Performance Indicators were talking about engagement and brand reputation. If the Copyright Division had something to be published, the Delegation wondered if the budget would cover it and asked for confirmation that these kinds of activities would still be done with the shifting from Program 3 to Program 19.

269. The Secretariat said that, in the discussion on Program 3 the day before, the reason for the decrease or that there was no budget allocated to that particular expected result VIII.1 in the biennium 2020/21, was the shift of responsibilities for the Communications Division from the Deputy Director General of Copyright to the Director General. That was just a shift in the responsibility. So the Communications Division was no longer reporting to the Deputy Director General. The Secretariat added that, in the revised version of Program 3 discussed the day before, text suggested by Member States had been included in the track-changes version, which had been distributed. Concerning copyright-related issues, those remained under Program 3, as appropriate. That was reflected under the other Expected Result of that Program. As far as the Communications Division was concerned, it continued communicating on all matters across all of the Programs of the Organization. The Secretariat further proposed a number of changes, as follows. The baseline would change by adding the words "in three languages" at the end, thus becoming "1,157,116 unique page views of the WIPO magazine site in three languages." For the targets, the words "in all languages" would be added. That meant a 10 per cent annual increase in unique page views in all languages.

270. The Delegation of the UAE expressed its satisfaction at the new language and thanked the Secretariat for modifying the performance indicator.

271. The Delegation of the Russian Federation thanked the Secretariat for the fact that they had taken their request into account and understood the problems that it had. The Delegation pointed out that its proposal related not only to the WIPO magazine but to all the publications in the six languages and asked the Secretariat to expand the wording a little to make it more comprehensive.

272. The Secretariat thanked the Delegation of the Russian Federation for stressing the importance of this issue, adding that it would strive to increase the amount of content available in all languages. For the sake of simplicity, the Secretariat suggested changing the word “different” to “all” on the cover page for Program 19, to read “Engagement, interaction with WIPO publications in all languages and formats, including underserved audiences”.

273. The Delegation of the Russian Federation agreed on the proposed wording and suggested bringing this back to the Committee for its consideration.

274. The Delegation of Indonesia welcomed the proposed language and wished to clarify that all languages meant only the six United Nations languages.

275. The Chair thanked the Delegation of the Russian Federation for its suggestion and recalled that several delegations wished to work with the Secretariat on performance indicators on publications in all six official languages, this would be discussed further later on in the meeting. Seeing that there were no requests for the floor, the Chair adjourned Program 19. The Chair then turned to Program 20 (External Relations, Partnerships and External Offices) and opened the floor for comments.

276. The Delegation of the Russian Federation thanked WIPO and the Secretariat for the active work done under Program 20. It warmly supported the proposal in Program 20 of getting new posts for WIPO's External Offices (EOs), in particular for the WIPO Office in the Russian Federation. The Delegation felt convinced that the External Offices were an effective tool for attaining WIPO's goals and moving global services forward in different parts of the world. The Delegation wished to share its assessment of the results of the work of the WIPO Office in Moscow. The representative office in Moscow had been working successfully since 2014. Every year, as part of the plan for joint activities, there were a couple of dozen activities organized in Moscow, St. Petersburg and various regions. These events covered a wide spectrum of issues and questions, including questions on the Worldwide Agenda, digital information in the area of IP, transfer of technology and other issues. The leadership of the Office cooperated actively with the relevant bodies and departments, the Russian Parliament, users of services in the area of intellectual property, business, the business community, and different regions of the Russian Federation. The global registration services were being successfully promoted for Russian business as well and for scientific, educational and research institutions. Concerning the effectiveness of the work of the Office, statistical information on the quantity of international applications submitted by Russian users was a sufficient indicator. A constant growth in those applications using the Madrid System, *inter alia*, had been observed over the previous few years. The potential of that growth was far from having been exhausted. With the support of the Office, the Russian Federation had joined the Geneva Act of the Hague Agreement and the Marrakesh Treaty, and there was successful development of the project for developing ICT. At that time, 118 centers for supporting technology and innovation had been set up in Russia. The qualitative growth and development, and expanding the range of services they would be able to furnish was being considered together with the Office. Successful implementation was underway of the project concerning policy in the sphere of intellectual property for higher educational institutions and scientific and research organizations geared

towards promoting the commercialization and marketing of the results of digital activities for students and young scientists. Given the wide volume of tasks faced by the Russian Federation and the Office of WIPO in particular, strengthening its staff potential was a very important, topical and relevant. That would foster the further development of the Office and help achieve the Organization's goals.

277. The Delegation of Italy appreciated the fact of the inclusion in Program 20 of a reference to the Lisbon System among the Expected Results for the first time. It believed that the EOs played a very important role for WIPO to achieve its goals and spread the knowledge of IP and access to IP global systems to different geographical areas. The Delegation considered that, for Program 9, for reasons of transparency and coherence, it would be appropriate to refer to the expansion of the geographical coverage of the Lisbon System in the performance indicators. The membership was referred to for both the Hague System and the Madrid System. The Delegation referred to page 128 of the English version and asked whether it would not be possible to include that element for Program 9, requesting an explanation as to why that was the case. It had already noticed that, for Program 9, there had not been an amendment and asked the Secretariat for some information as to the reasons for the different treatment among the Unions.

278. The Delegation of Malaysia wished to commend WIPO for its various active engagements in the numerous intergovernmental processes and its engagement with various United Nations agencies and cooperation with different partners in executing the various programs under WIPO. Turning to the EOs, it recognized the WIPO Singapore Office, which had been very useful in supporting ASEAN, especially for its IP efforts and in executing the ASEAN IPR action plan through various activities, projects, programs and assistance. Concerning the implementation strategy on page 125, bullet point 5, which concerned the evaluation of the WIPO External Office Network to be conducted by the PBC during 2021, the Delegation requested information from the Secretariat on how that would be carried out and whether there was an allocation in the budget for that purpose.

279. The Delegation of Indonesia, echoing what had just been said, recognized the important and valuable role of having a WIPO Office in Singapore for Indonesia as part of the ASEAN Region. It was convinced of the important role of the WIPO External Office, not only to promote WIPO services and its treaties but also to support, in its case, efforts in the ASEAN region for the implementation of the ASEAN IPR Action Plan 2016 to 2025 for an expanded and inclusive ASEAN IP ecosystem. The Delegation took note and was grateful for the joint activities conducted within WIPO's Singapore Office with regard to promoting IP awareness and capacity building in countries of the Asia and the Pacific and, of course, most importantly, ASEAN. It wished to see the work of the WIPO Singapore Office continue in its approach of increasing awareness of WIPO and its work among stakeholders in the region of the Association of the Southeast Asian Nations. The Delegation said it always reminded everyone that this was the external office of ASEAN, not Asia-Pacific. Still echoing what had been said by the Delegation of Malaysia, the Delegation said it would be very interested in looking at the implementation strategies under bullet point 5, page 125. The Delegation said that the conduct of the review of the external offices would be done within the framework of the Program and Budget Committee and asked for further clarification with regard on the plan on the timeline on how this could be conducted by 2021. The Delegation asked if there were Terms of Reference that had to be agreed on and asked when the review of the external offices could begin. Lastly, the Delegation enquired about the wording of the risk and the mitigation actions. It noted that there was a change in the wording of the risk as compared to the 2018/19 biennium. In that biennium, the wording of the risk was decisions with actions taken at intergovernmental process that had an adverse impact on the international IP system. The Delegation noted that the 2018/19 wording made limited sense when referring to EOs and the Delegation considered that the current wording was better when talking about external offices under Program 20. The current wording was "Multilateral

negotiations and meetings do not adequately consider WIPO's role and lead to duplication of IP related activities within the UN system". The Delegation requested further clarification. It had engaged in informal discussions with the Secretariat of the PBC before and wished to put WIPO's meaning of this on record. Was the aim to try to ensure that there was nothing in the United Nations System that should discuss intellectual property and that this was only WIPO's role? The Delegation just wanted to make sure that it was not really the mission of the Organization to stop other United Nations bodies discussing Intellectual Property. However, it took note of the recent mitigation actions of the External Office. The Delegation considered that the geographical separation of external offices from headquarters could potentially result in a fragmentation in coordination and communication. It was not proposing any changes on this but just wanted to be reassured that there was no mission for the Organization to stop other United Nations agencies discussing Intellectual Property.

280. The Delegation of China thanked the WIPO Office in China (WOC) saying that, over the previous two years, the Office had made great achievements in IP promotion. It had cooperated with the department and provinces in China in increasing IP knowledge, including cooperation with the Chinese universities and some schools to increase the awareness of young people so that more people would understand and join in. That year, the High-Level Forum on IP had been held and the WIPO Office in China had been working on promoting the global services, including the PCT System, the Madrid System and the Hague System, as well as WIPO's Arbitration and Mediation Center services. Through their work, the PCT and Madrid applications had been increasing greatly. Although China was still not a member of the Hague System, some Chinese businesses were making full use of the system, so the work was very effective. The Delegation hoped the WIPO Office in China would keep the momentum up in the forthcoming biennium and continue to play a very good role.

281. The Delegation of Uganda thanked the Secretariat for the work being done on Program 20. With regard to EOs, it also underscored the importance of WIPO's EOs, especially in Africa, Algeria and Nigeria. The Delegation understood that the Office in Algeria was up and running and the Office in Nigeria would soon be running upon conclusion of implementation discussions with the Secretariat. Those Offices, according to the Secretariat, would promote and facilitate the use of IP for development by bringing WIPO services closer to the region. With regard to partnerships, the Delegation understood that those allowed WIPO's work and the work of the IGOs and United Nations agencies with which WIPO collaborated to be mutually reinforced thereby leading to better results. The Delegation said the way that risk was projected here seemed to be different from the way it was referred to in the 2018/19 budget document. Like Indonesia, the Delegation asked for clarification to understand how the risk was projected and asked if similar language to that of the previous document could be restored.

282. The Delegation of Lithuania highly valued collaboration of WIPO with other international agencies within the system and out of the system. It believed that EOs established so far contributed and complemented the efforts of the central office for the benefit of the entire Organization and strongly supported that principle. Concerning the future budget planning, the Delegation had understood that funds were earmarked and allocated for the setting up of up to four EOs and asked if those resources related to non-personnel expenses, adding that a post appeared to have been redeployed from Program 9 from the respective department to EOs. The Delegation asked if that meant that the opening of new EOs would lead to the redeployment of staff to EOs and if any other resources from the respective Programs would be transferred to Program 20 or if only personnel would be redeployed to EOs.

283. The Delegation of Japan wished to briefly touch upon the activities conducted by the WIPO Japan Office for which Japan was the host country. In order to promote WIPO's

Global IP Services, Japan realized that it was essential to help potential users understand the actual benefits they could receive from such services, that only face-to-face conversations with potential users and solo follow-up activities, which took into account local business practices could make that possible. In that context, the Delegation understood that the WIPO Japan Office, ever since it had been established in 2006, had been playing an important role in conducting activities that promoted the PCT, Madrid and the Hague Systems. The Office had been steadily achieving fruitful outreach in spite of its rather small budget in relation to a regular budget. As the Delegation mentioned previously, based on the WIPO Japan Office's successful promotional activities concerning WIPO GREEN and WIPO Re:Search, many Japanese companies were now participating in those initiatives, which were two examples of WIPO's contributions to the SDGs. The WIPO Japan Office also continued to develop and maintain IP advantages. Sharing the results of successful IP case study was one of the most important activities of WIPO, and IP Advantage was a useful platform that users could access to obtain such information. Japan highly appreciated the WIPO Japan Office's continuous hard work regarding IP Advantage. Unfortunately, IP Advantage was provided only in English, French and Spanish at that time. Nevertheless, sharing the information was useful in many countries. The Delegation looked forward to the WIPO Japan Office improving the user-friendliness of IP Advantage, for example, translating IP Advantage into other languages using WIPO's machine translation. Japan as host country of the WIPO Japan Office was committed to continuing supporting the activity of the WIPO Japan Office given its difficult financial situation.

284. The Delegation of Brazil wished to underline the outstanding work of the WIPO Brazil Office (WBO), which had an active role in promoting WIPO's service and disseminating information about Intellectual Property in Brazil. The Brazil Office was also involved with the delivery of quality technical assistance programs, which included training sessions, seminars and workshops related, for instance, to trademarks, patent analytics, patent drafting and the transfer of technology. Representatives from many different countries and regions, including Latin American, Caribbean and Portuguese-speaking countries in Africa, participated in the events organized with the WBO. The support provided by the WBO during the accession to the Madrid Protocol was crucial, as it helped clarify aspects of the treaty with members of the Congress, law firms, private companies, SMEs and so on. Turning to the external relations and partnerships, the Delegation wished to underline the importance of the Program for the implementation of the Sustainable Development Goals. The Delegation recognized the importance of ensuring the participation of WIPO in relevant meetings involving discussions on Intellectual Property. Concerning the language on page 124 regarding the risks, the Delegation supported statements made by other delegations concerning that wording. It certainly wanted WIPO to participate in processes where IP was being discussed and other United Nations agencies to bring their technical expertise to allow informed decisions to be taken, but the word 'duplication' may lead to the incorrect understanding that IP could only be discussed in WIPO. Intellectual property was spreading evermore with technological advances and that was good news for WIPO because there was a sustainable demand for its global services, but it also meant that the interaction of IP with other areas of society demanded discussions in other United Nations agencies, for instance the Food and Agriculture Organization and the World Health Organization. There were also emerging issues such as those discussed at the World Summit on the Information Society or the Internet Governance Forum. Hence, the Delegation considered that the wording of 'duplication' could be misleading and that it may be more advisable to return to the original language used in the previous biennium.

285. The Delegation of Algeria thanked the Secretariat for their programming of the aspect relating to the expansion of the exercise for the budget exercise 2020/21. That would allow wider geographic coverage, ensuring greater visibility surrounding WIPO's activities. The Delegation welcomed the fact that the External Office of WIPO in Algeria was already operational. It encouraged the Secretariat to continue its efforts seeking to allow the Office

to fully carry out its activities, integrating that into WIPO activities. The Delegation wished to highlight the importance of endowing the Office with the tools and resources necessary to allow it to carry out its mission to promote and develop intellectual property and innovation. Indeed, the objectives attached to the Office reflected the important role expected from that new Office and its palpable contribution to the overall results of WIPO. As such, the Delegation considered that it would be important to ensure that the Office was assisted during the launch phase in order to ensure its swift integration and to fully be able to harness its potential.

286. The Delegation of Indonesia wished to raise two points. One was a question with regard to page 129 of the English version on the target of ER VIII.2. The baseline referred to a percentage but the target just mentioned 24-hours all Offices. The Delegation asked what was to be understood from that, if it was 90 per cent of responses within 24-hours for all offices, 70 per cent, 80 per cent or 100 per cent, or was there another logic in the target in respect of 24-hours all Offices. Referring to the comments made by the Delegation of Lithuania, the Delegation seemed to recall that another Office was due to be opened in the 2020/21 biennium and asked if the budget for that was already spread over the Expected Results in Program 20 for EOs or not.

287. The Delegation of Singapore wished to highlight the commendable work of the WIPO Singapore Office (WSO), which acted as a focal point for the furtherance of IP work in the ASEAN region and also in the region at large, working in a cost-effective manner. The Delegation was happy to hear the satisfaction of its regional members with the activities of the WSO, noting that the Singapore government would continue to intensify its support for the work of the Office, especially through the WIPO Singapore Memorandum of Understanding to promote IP awareness and build capacities in countries in the Asia and the Pacific Region.

288. The Delegation of India, on the subject of the WIPO EOs, supported the integration of WIPO EOs with Headquarters. However, it also felt that it was very important that geographical separation of EOs from headquarters was a must in order to avoid duplicity of work and proper dissemination of WIPO services across the globe. Hence, it proposed that the wording of the risk on page 127 be revised accordingly to make it more balanced because the current wording gave the impression that geographical separation was a bane for EOs.

289. The Delegation of Pakistan explained that the principal position of its country was well-known on the matter of EOs. Pakistan had consistently expressed its concern about the proposed establishment of external offices in the absence of proven benefit to the Organization. It had also been highlighting the need for external assessment and visibility studies through external sources to identify the need for that expansion. It believed that its request to the Secretariat for a transparent cost-benefit analysis would help for an objective assessment and the Delegation was waiting for that. The Delegation needed clarification from the Secretariat that the activities performed by those EOs could not be performed otherwise because what it had heard from the other intervention was that the activities such as training, seminars and such activities were already being performed by IP offices across the globe. The Delegation wondered what, in that case, was the use of the EOs and asked if there was not merely a duplication of activities. It had also heard a delegation noting the efficiency of the Singapore Office for the ASEAN region and acknowledged that, but still wished to seek clarification from the Secretariat or from the Delegation of Singapore itself on the status of the WSO because it needed to know if the WSO was considered as a local IP Office or as a regional IP one. In view of probable regional implications of the EOs, the Delegation said that the Secretariat had never presented a document on the potential regional implications of EOs. The Delegation, therefore, asked if that could be provided as well. The Delegation said that it saw the presence of so many candidates and that the entire

exercise had already become highly politicized. It believed that there was no point in pursuing an exercise at the expense of friction amongst the Member States that that project was already causing. The Delegation said that it did not have criteria and methodology that would be employed to open the EOs and that many Member States, including its own, wished to continue to deal with the WIPO Headquarters. The Delegation, therefore, requested clear impact assessments by the Secretariat as regards to redeployment of staff in view of opening EOs. The fourth point had been raised previously and concerned the request for a vision document to rationalize the whole exercise. The Delegation said that if the Secretariat were to provide credible responses to its concerns and state that the EOs were good for the membership, then it would like to see them opened in all capitals among all Member States. The Delegation believed that that should not be for only selected countries.

290. The Delegation of Argentina understood the usefulness of regional offices and knew the contribution that they had made and continued to make. Nevertheless, it believed that the intervention of the Delegation of Pakistan had its merits and that a proliferation of Offices was not only costly but that it really did need to be analyzed very carefully. Regional offices had to have clear objectives, delegating only those activities that required an essential presence on the ground in the country. If not, added the Delegation, there would be a loss of resources. The Delegation, therefore, supported the Delegation of Pakistan, which it believed to be right in seeking to have all elements in place to fully evaluate the establishment of new Offices.

291. The Secretariat, speaking of the concerns expressed by the Delegations of Uganda, Brazil and Indonesia about the reformulation of the risk on page 124 and compared it to the previous one. The problem with the previous formulation was that the threshold was a very high and of adverse impact. The new formulation would have given some space. The Secretariat gave assurance that the aim was not to prevent others from discussing intellectual property, but what was specifically to highlight WIPO's role. The purpose of the revision of the risk did not aim to prevent Member States of discussing IP issues in other forums. In fact Brazil had mentioned a few forums like WSIS, IGF, where, WIPO partnered with other organizations and also contributed in the discussion in these forums. The Secretariat understood the concerns of Member States and proposed either to take out duplication if this was the main concern of Member States, or simply to reinstate the previous formulation mentioned by a few of the delegations that had taken the floor. The Secretariat had no problem with this since the focus was only on the expertise of WIPO as leading the discussion in the IP field.

292. Regarding the particular question of the risk on page 124, the Chair summarized the discussions and options put forward, either returning to the text in the previous Program and Budget or taking out the language on duplication, and opened the floor for comments.

293. The Delegation of Brazil thanked the Secretariat for the explanations provided. The Delegation considered that everyone agreed on the importance of WIPO's participation in the process and acknowledged that the goal was to ensure that all parties were comfortable with the language provided regarding the deletion of the phrase "and lead to duplication of IP-related activities." That would leave the first phrase, "the multilateral negotiations and meetings do not adequately consider WIPO's role," which was, in effect, a risk with which the Delegation agreed and which would also be in line with the mitigation actions to ensure that WIPO provided a balanced and inclusive IP discussion.

294. The Delegation of Indonesia thanked the Secretariat for their explanations. Echoing what had been said by the Delegation of Brazil, Indonesia agreed that the previous wording was not really nice with the word "adverse impact" in it. The Delegation agreed with the proposal of deleting "lead to duplication," considering that that would correspond better with

the mitigation actions and actually also take into account the risk of duplication, because if another United Nations System agency were actually trying to revise the PCT Agreement, that meant it was not adequately considering WIPO's role in the IP-related activities within the United Nations System. The Delegation was therefore supportive of the new wording, which now read, "Multilateral negotiations and meetings do not adequately consider WIPO's role of IP-related activities within the United Nations System."

295. The Chair asked delegations if there were any objections to that, removing "and lead to duplication" to read "multilateral negotiations and meetings do not adequately consider WIPO's role with respect to IP-related activities within the United Nations System." The Chair suggested stopping the line after "consider WIPO's role," i.e. "multinational considerations in meetings do not adequately consider WIPO's role." Seeing that there were no objections to that proposal, the Chair proposed to lock that down and, turning to the questions on EOs, gave the floor to the Secretariat.

296. The Secretariat thanked delegations for their appreciation of the work of WIPO's external offices and its network, especially the Delegations of the Russian Federation, Italy, Malaysia, Indonesia, China, Uganda, Lithuania, Japan, Brazil, Algeria and Singapore. It was extremely grateful to countries and the regions, that was in so far as Singapore was concerned, where these offices were located, for the tremendous amount of support received and as well as encouragement from these host countries. The fact that these delegations were appreciating the work of external offices was a matter of deep satisfaction for the Secretariat. Having said that, the Secretariat wished to make it clear that the entire process linked to WIPO External Offices was completely a Member State-driven process. To recapitulate, at the General Assemblies of 2015, the WIPO General Assembly decided on the Guiding Principles. So whether it was the policy, the guidelines, the location, or whether, subsequently, there would be the evaluation, it was entirely a Member State-driven process. The Secretariat was implementing what was asked from it. Concerning the evaluation, the Guiding Principles had clearly stated in III.3 that there would be an evaluation during 2021. This was reflected in the Draft Program and Budget, which read "support the evaluation of the WIPO external office network to be conducted by the Program and Budget Committee during 2021". The Secretariat was fully respecting and reflecting what had been the guidance from the General Assembly and the Member States. The process of evaluation would be a Member State-driven process. So, concerning the question asked about the evaluation, the methodology, the terms of reference, the outline, how to proceed, this was going to be a Member State decision, the Secretariat presumed. There would be something which would be approved in the PBC. This would require the guidance of the Member States. A budgetary allocation had to be made for this, so the Secretariat was only following the instructions of Member States and the General Assembly. Concerning the question from the Delegation of Lithuania about funds possibly for four offices, the Secretariat pointed out that the question of these four offices would be decided on by Member States. But there was an answer which PPBD would give subsequently along with the issue raised by Italy on the baseline II.9 for the Lisbon System. So colleagues in PPBD would answer the question raised by Lithuania about the unallocated resources, personnel and non-personnel. All of this was contained in the Guiding Principles. It was resource-neutral. This was what the Secretariat was trying to do, to strictly adhere to what the Member States had provided in terms of the Guiding Principles. Turning to the question about when these four offices would open, the Secretariat said that it could not answer this as it was a Member State-driven process and, as such, the Member States would take a decision. Yes, the Guiding Principles said one thing, that this decision was to be taken in the Biennium of 2018/19, so the decision which was pending up to a maximum of four more external offices should, according to the Guiding Principles, be taken that year. The implementation would begin in the subsequent biennium, so there was an unallocated provision. The Delegation of India raised this issue about geographical separation. There was a mitigation given along with the risk and it seemed logical to the Secretariat to put geographical separation there. The Secretariat

would try to see that this risk was mitigated and the Delegation of India could come back to this later on. The Delegation of Pakistan and, in some part supported by the Delegation of Argentina, had raised some very fundamental issues, whether the process was transparent, what the cost-benefit analysis was, what the functions were, where the vision document was. Various issues had been raised. The Delegation of Singapore had raised a technical question. Yes, Singapore was an office which covered the ASEAN Region. It was the only office which covered a region. On the multiple and complex questions on EOs that had been raised by the Delegate from Pakistan, the Secretariat reiterated that being a Member State-driven process, issues related to guidelines, policy, budget and location were the responsibility of the Member States and the Secretariat was implementing the decisions of the Member States. Of course, more details could be provided and detailed briefings were given by each office during our General Assemblies. Delegations could ask questions them on any of their activities. The host countries and, in the case of the Singapore Office, countries in the region where it was located, seemed to be extremely pleased with the performance of these offices. Already, this was a matter of satisfaction. It would be impossible for the Secretariat in this scenario to start self-evaluating what they were doing. That had to be done by the Member States through the 2021 evaluation. The Secretariat could provide facts but the Member States had to make their assessment. The Delegation of Argentina had used the word "proliferation". The Guiding Principles were very clear, that no would be no more than three new external offices in biennium 2016/17 and then three in 2018/19. So, there would be no more than six new external offices during this period. The issue of proliferation had also been discussed, debated and settled by the Member States. The Secretariat was not opening external offices on its own wish or desire. The Secretariat then turned to the question of resourcing. Here, unallocated resources included 1.6 million for up to four new external offices to be decided by the Member States. So this was four times 400,000 Swiss francs for non-personnel resources. To the question of the Distinguished Delegate of Lithuania on the posts and personnel resources, yes, as was already explained, budget neutrality and no new post was the principle. The Director General had mentioned that the previous day. The Organization had not increased posts for several biennia. These requirements would be met through redeployment from existing programs at the determination of the Director General. In terms of the non-personnel resources, no, they would not be transferred from other programs because a provision had been made for the new offices in unallocated, so when Member States made a decision, this would be appropriately transferred to Program 20. On the two offices in Africa - Algeria and Nigeria - the resources for these were already reflected in Program 20. On the question related to the Expected Results, yes, they were already linked to Expected Results III.2 in the Results Framework of Program 20 under the External Offices. This was primarily because the Secretariat expected that, at least in the initial stages, most of the activities of these offices would be in relation to capacity building. However, as mentioned previously during the informal discussions before the PBC, the Secretariat would be working with the Director of the Office in Algeria on a workplan to set out the detailed activities. He had recently been relocated there and was establishing himself, so this would be fully integrated into the organizational framework for workplanning and implementation. Concerning the question on the Lisbon indicator, the Secretariat was working closely with the programs. Further clarifications could be given later by the colleagues from the program who were not present, said the Secretariat, specifying that this was the first time that the promotion of Lisbon had been included under Programs 9 and 20. This was in response to several calls for such inclusion. Both these programs were development-related, whereas the expansion of the system itself would not necessarily be only linked to developing countries. Therefore, given the size and given that fact, the program had said that they would not want to add that indicator in the Results Framework. The Secretariat added that their Lisbon colleagues could provide detailed explanations to the Delegation of Italy if further explanations were required. The Secretariat thanked the Delegation of Indonesia for their request for clarification in respect to target VIII.2, this was well spotted and would be corrected.

297. Seeing that there were no further requests for the floor, the Chair concluded that Members were satisfied with Program 20 (External Relations, Partnerships and External Offices) subject to the one change that had been agreed on a few moments earlier on the risk on page 124 where there were two changes. The Chair handed the floor to the Director General who wished to address a few of the previous questions.

298. The Director General said that a part of what he had to say would address the next Program, but other points would take up issues that had been raised by several delegations. There were five points that the Director General wished to cover. The first was languages. In particular, China, the Russian Federation, the United Arab Emirates had raised the question of the expansion of the language coverage in various areas. It was actually quite a complex topic, so there were a few comments to be made on it as to where the Organization stood and where it was going on that particular subject. First of all, said the Director General, the Secretariat was deeply committed to multilingualism because of its general advantages and, in particular, since it was a way of increasing the inclusiveness of the Organization's programs, services and activities. Multilingualism was a way of highlighting one of the great comparative advantages of that Organization and represented an enormous advantage. The Director General went on to give the example of international patent applications, as roughly 50 per cent of the applications filed under the PCT were filed in Chinese, Japanese and Korean. That was 50 per cent of the world's newest technology in those three languages. The Organization's capacity to be able to translate those and to have an artificial intelligence-based automatic translation system greatly enhanced access to technology, that was an advantage that the Organization had and that nobody else in the world had. Therefore, WIPO was deeply committed to multilingualism and believed that it had many advantages for the Organization and its Member States. The current situation, just to recall, was that the Member States adopted a language policy in 2012, first of all, for the Organization's general activities and areas, and under that the policy had been implemented so there was full language coverage for all Committee meetings. There were other areas, mainly the PCT, Madrid System and the Hague System, and that was where a slight complication arose because each of the Systems had different language regimes. That was not a question of the number of languages, but what was translated or not translated. So, in the case of the Patent Cooperation Treaty, there were 10 languages of publication, the six United Nations languages plus Japanese, German, Korean and Portuguese. That meant that filing could be in any of those languages, but if it was in any language other than the 10 mentioned, a translation had to be filed before the publication by the International Bureau. So, effectively, 10 languages for filing and 10 languages for the publication. Any of the applications filed in a language other than English or French were translated by the Organization insofar as the abstract or summary of the application was concerned. In addition, the international preliminary report on patent ability, which was a document of around about five or six pages, was always translated into English. There was a possibility of filing and publishing in 10 languages, but only translations to English and French for the abstracts and only translations to English for the International Search Report. So concerning the proposed expansion of the language coverage for Madrid and the Hague, one of the first things to be decided would be what exactly to translate out of all of the activities and actions that were possible under the Madrid System and the Hague System. That was why, as previously mentioned, it was being considered by the Working Group of the Madrid System and the Working Group of the Hague System. The language system adopted needed to be determined in order to be able to cost it. Costs were very different if everything was translated into all languages or not. The choices that had to be made to design the language system were going to influence the costs a great deal. It was rather difficult to say exactly what the impact would be until the design choices had been made, as could be seen from the Madrid Working Group and from the Hague Working Group. Then it would be possible to quantify the costs of the expansion of the language coverage. That was complicating the matter, but it was well within the work program of the Organization. There were two Member State Committees that were considering it, and they would come up with

recommendations. The impact of the recommendations had to be costed. Technology would have a big impact on that, as well, because the main translation work in the Madrid System, for example, was the translation of the description of the goods and services in respect of which the trademark being registered. It was believed that most of that could be done by machine. So there were possibilities of expansion without adding too much cost because of the technology, but it was different for the Hague System, explained the Director General. There, there was a more wordy and lengthy description in the case of some countries of the design for which protection was being sought. These were just some general comments, which showed that that issue was well under consideration, but the Organization was reliant on certain decisions to be taken by the Madrid and the Hague Working Groups, in particular. That left the general area, the website had been mentioned, publications, and the expansion of the coverage of the core publications and the content of the website to additional languages. Some examples of the unevenness of the coverage had been given. That would certainly be taken on board. The Organization was a very firm believer, as already mentioned, of the virtues of multilingualism and the opportunity that multilingualism gave for the Organization to expand the coverage of its services, which would continue to see how the coverage of the core publications could be done. On the question of union methodology, the Director General explained that the Organization had certain common services, which were very clearly set out in the Financial Provisions of the WIPO Convention, the Paris Convention, the Berne Convention, all of the treaties, which had a budget. There was supposed to be a budget of expenses common to the Unions, which should include provisions for expenses of interest to several Unions. The WIPO Conference Hall was an example of a common expense. So the question was how do you pay for that? That raised the question about the attribution and the union allocation methodology, a question, which Member States had been disagreeing about. For a number of years, there had been the capacity to pay principle. In consideration of the discussions that had taken place, a very modest proposal had been put forward to attribute 1 per cent to certain of the Unions that had not been paying any contribution to the common expenses. It was up to Member States to decide. Any methodology could be adopted, but the common expenses had to be covered and there was money for that. It was simply a question of the methodology to be adopted, the Secretariat was not trying to do anything controversial but to accommodate the different views that had been expressed about the union methodology. There were no tricks in respect of that. The next point the Director General wished to cover was judicial training. There had been a lot of comments about that. To recall how that came about as a specific item in the Program and Budget, there had been a growing demand for attention to the judicial administration of intellectual property. As members were aware, for 130 years, the Organization had essentially been concerned with the executive administration of intellectual property, but there had been a growing demand from all quarters for some attention to judicial administration. Many developments lay behind that, not the least of which was that the speed of development of technology now was such that it was outpacing the capacity of legislative branches to provide policy responses. In consequence, a lot of disputes were arising, which concerned matters for which there was no current explicit policy and for which a court was required by analogy to be able to provide an answer in the context of a particular dispute. This was the case for patenting of genes, for example, which received attention from the highest courts in a number of countries around the world, and it was going to be increasingly the case. So the demand for an increased sophistication in the knowledge and awareness of intellectual property issues amongst the judiciary had clearly been there and been clearly expressed by all of your Member States. The Organization, therefore, sought to address that square on by the creation of a particular specialized unit within the Office of the Legal Counsel. The location of that specialized unit was the responsibility of the Director General, the role of the Chief Executive Officer, noting that that was in the Constitution. Member States could ask for results and the Organization established the Results Framework. That enabled Member States to say that the Organization had or had not achieved the results or that it should do better, but how the

results were actually achieved was the executive business of the Organization, the decision of the Director General. The decision to put judicial training in the Office of the Legal Counsel was because it was a cross-cutting issue, which involved several dimensions. It involved, first of all, capacity building. There were many developing countries who were asking for, for want of a better word, training, and it was an odd word to use for judges, but awareness-building and capacity-building for judges who were confronted for the first time by intellectual property cases may not have had that as part of their traditional training. There was a need also, which was a different one, for the exchange of information amongst judiciaries as to how they were handling some of these cases that concerned, for example, authorship of artificial intelligence creations and the attribution of copyright or gene editing. The Director General had mentioned the patentability of genes and many areas that were being thrown up by technology and that those were appearing in court systems around the world and that there was a need for an exchange of information as to how judiciaries were dealing with it. Thirdly, there was enforcement, but enforcement was not the whole picture of judicial administration of intellectual property by any means. There were civil disputes between contracting parties, disputes of appeals from the Intellectual Property Office on the patentability of certain subject matter. There was a whole range of judicial activity in relation to intellectual property, which did not concern enforcement. But, of course, the judiciary was concerned with enforcement as well. So, there was not a single area that dealt with the multidimensional nature of the judicial administration or a single area that dealt with the multidimensional aspects of the judicial administration of intellectual property and that had now been created in the appropriate place, namely the Office of the Legal Counsel. Other Programs and units were involved. The Academy, for example, which did excellent work, was involved in online courses and other courses for training, for want of a better word, of judges in capacity-building. But excellent as the Academy was, there was not one lawyer in the Academy, that was a consideration that one would take into account on the side of the Organization and that did not detract from the excellence of the work that the Academy did in capacity-building. Then there was enforcement – building respect for intellectual property, to use the current terminology. It was broader than that. So, the idea of the placement of the office in the Office of Legal Counsel, the Judicial Division in the Office of Legal Counsel, was to coordinate. It was not that building respect or the Academy would not have a role. Of course, they had roles, but those needed to be coordinated into an overall program and to add the extra dimension of exchange, which had been so well implemented in the course of the previous year with the master class in Beijing and the general international conference in Geneva. Those were some elements for consideration for the placement of the Judicial Division, Judicial Administration of Intellectual Property. The Director General then said that several points had been raised by the Delegation of Pakistan about innovation. Asking for a single point on innovation in WIPO, in the Secretariat, was like asking the World Health Organization for a single point on health. There were epidemics, infectious diseases, non-communicable diseases, health emergencies, and so on. Innovation was a very complex ecosystem. All countries were struggling to come to terms with how to construct a healthy and vibrant innovation ecosystem, it was a very complicated matter, concerning many things with which the Organization was concerned and involving some things with which the Organization was not concerned such as finance, venture capital and risk capital. The Organization had no competence in respect to that, its competence was Intellectual Property and what surrounds Intellectual Property and one of the main purposes of Intellectual Property was the commercialization of ideas. There was not a single point but many, many points. The Chief Economist's Office worked on the statistical analysis of indicators of innovation, on the economic policy aspects of innovation. The Brands and Designs Sector did work on how brands could enhance the competitiveness of a new product and an innovative product. Then there was the Patents and Technology Sector, and so on. So, it was a cross-cutting issue that concerned the whole of the work of the Organization and not just one single part. The final point the Director General wished to make was in response to some of the comments that had been made on rewards and recognition. All of the

comments had been noted. As all were aware, a revised Office Instruction on the Rewards and Recognition Program had been issued in April 2019, and it set out the scope, aim and the objectives of all elements of the Rewards Program. In terms of respect for the ICSC's decision and policy, the report, there was an overall budgetary cap that needed to be respected. That, according to the ICSC, was 1.5 per cent of the Organization's projected remuneration costs. The provision for 2020/21 was 1.15 per cent, which was significantly below 1.5 per cent of the overall costs of remuneration. Secondly, another principle guideline for the ICSC was that there was a limit of up to 10 per cent of the net-based salary for any individual cash awards. That had been, and would be, respected and was written into the Organization's policies. The area that seemed to be arising for discussion and refinement was the organizational reward. The Director General said that he did not believe he had heard any comments on the individual awards administered, adding that the Organization was always open to hear anything Member States may wish to say on the matter. The revised Office Instruction with respect to the organizational performance reward provided that, subject to WIPO's overall results and its financial performance, an organizational performance reward in the form of a cash lump sum may be awarded in any given year for staff members, to staff members who contributed to those organizational results. If and when it were decided to pay an organizational performance reward, staff members whose performance was rated below effective in any of the two years preceding the award would not be eligible. The provision made, as all were aware, covered an amount, which was approximately 1.15 per cent of the net remuneration of the Organization. Now, the Secretariat had looked at the practice of other organizations. For example, looking at the Joint Inspection Unit's report. In the case of UNOPS, and that was in the JIU report in the year of 2016, they awarded or paid 3 million United States dollars. That was significantly more than the proposal for the biennium. Three million United States dollars. The JIU said the inspector welcomed those reward programs as good management practice and an incentive for high performance of the workforce. Given the nature of the UNOPS activities, the recognition of exceptional individual and team efforts was a positive addition to the existing performance appraisal system provided the reward programs were based on well-defined criteria and applied through a transparent process. That was particularly useful in organizations like UNOPS where personnel had limited opportunities for career development. The reward program was, thus, thought about carefully. In respect of the organizational reward that was paid in the year 2018, the basis for the Director General's decision was that the Secretariat had asked the staff for an extended period of time for a significant effort in a number of respects. The Director General said that staff benefits had been cut, and he was not referring to the adjustment of the post-adjustment multiplier. He was referring to the changes that were made, often at Member States' request, to travel conditions, to the amount of sick leave entitlement without medical certificate and so forth. Significant economies had been achieved in respect of the administration of personnel and human resource remuneration in the course of the previous 10 years in particular. That was a demand made to staff. Staff had also been asked for a significant effort in terms of productivity, which in part provided recurrent surpluses. Those recurrent surpluses reflected the good performance of the Organization and staff headcount had not been raised. Personnel costs had been contained as Members States had asked, while a lot of attention was paid to increased productivity. Thus, given the effort being requested of staff, given their good performance, and given the improved productivity where new posts had not been created, those achievements in the context of no increases in fees for the PCT, the Madrid System and the Hague System in 10 years, and that was a record in the world - all national patent offices had been raising fees. So given that context, the Director General decided that it was appropriate that a small portion of all of those surpluses should be paid as an Organizational reward. Now, since that happened, of course, certain Member States had communicated on many points, and the Secretariat had listened very carefully, and in response, adjusted the rewards policy. It had been clarified that staff members could not participate in any such organizational reward in the event that they had not received entirely

effective performance appraisals. The Secretariat was open to further discussion. The Director General noted that rewards decisions would shortly be taken with respect of the rewards for 2019. He then clarified that there would not be an organizational reward paid in 2019. Should Member States wish to have further discussion on the matter, the Secretariat would be entirely open to it and certainly guided by their direction.

299. The Chair thanked the Director General, for his statement and opened the floor on all five issues to see if there were immediate questions or clarifications because it was important to take advantage of the Director General's presence that afternoon. It would enrich the subsequent discussions. There were some technical discussions to come that evening, so the Chair proposed not to get into those on the union allocation methodology. The Chair did not want to have a repeat of existing positions. For technical questions on the judicial training, it would be discussed under Program 21. The Chair opened the floor for questions to the Director General on his statement.

300. The Delegation of Canada thanked the Director General for presenting on those key issues, in particular addressing one of the key interventions from Canada's Ambassador the day before on the Rewards and Recognition Program with specific reference to the budget. The Delegation noted its concerns still stood and was looking forward to engaging on that specific program item, Program 23, when the issue arose.

301. The Delegation of the United States of America appreciated the information that was provided to the delegations, especially on the Rewards and Recognition Program. The Delegation explained that it would take a little bit to digest some of the information, so it might come back with questions later. The Delegation noted the explanation about staff members who receive an effective performance or higher would be the ones receiving the reward, so it would be great to receive clarification on the percentage that that would be.

302. The Delegation of Pakistan was grateful to the Director General for the explanation and insights provided on various issues, including the question and the proposal, which the Delegation had proposed. The Delegation took very careful note of the explanation and wanted to reserve its position that it might come back with further follow-up questions or clarifications in the future. Before ending its intervention, the Delegation asked if it could take that opportunity to place on record, a comment regarding Program 21 at that moment.

303. The Chair asked the Delegation of Pakistan if it was a very technical question. If it was, the Chair suggested leaving it for the Program. If it was a wider issue then, it could be raised at that moment.

304. The Delegation of Pakistan wanted to take the opportunity to place on record its deep appreciation for the role and efforts for the Protocol and Event Management Division in convening joint events with the Member States. The team was doing a great job. Pakistan had had a chance to convene two events with WIPO to celebrate its national day, and it found every member of the team very professional, approachable and cooperative. The Delegation supported the good work by the Division and WIPO's efforts to strengthen engagement with Member States.

305. The Delegation of Uganda thanked the Director General for his very elaborative and comprehensive feedback to the Delegation's request for information concerning the new program dedicated to judicial administration of IP. The explanations concerning the placement of the new unit and executive management as well as its cross-collaboration with other Programs was well noted. The Delegation noted that it would first consult within the Group and come back with further comments, if any.

306. The Delegation of Lithuania thanked the Director General for the thorough explanations. The Delegation wanted to put on the record the appreciation of the Delegation on the sound management of the Organization, especially what was relevant for that Committee, keeping the financial situation of the Organization in a very healthy condition. At that point, the Delegation mentioned the similar point as the Delegate from Pakistan mentioned. The Delegation expressed it was still full of emotions from the previous day's event on IP and sports and very grateful for that opportunity provided by WIPO and the Delegations of Japan and the United States of America. Against that backdrop, the Delegation expressed satisfaction that Program 21, among other important implementation strategies and cooperation events related to WIPO services to Member States and other stakeholders. The Delegation saw great value in events held in WIPO and cosponsored by Member States, which contributed both to the visibility of WIPO and to IP awareness-raising. The Delegation expressed gratitude to the WIPO Secretariat and in particular to the Protocol and Events Management Team for their invaluable support in organizing the grand event the previous year marking centenary of the Baltic states as well as promoting our culture and innovation.

307. The Delegation of Indonesia, speaking in its national capacity, joined others in thanking the Director General for a very complete elaboration on all of the issues that had been discussed since the start of that week. The Delegation of Indonesia was very satisfied with all of the explanations. It gave a lot of comfort and relief for that Delegation to really understand that the Executive Management were doing what was very important for the Delegation. All the implementation strategies that were laid out in page 133 of the Program and Budget document had been done excellently by the Executive Management of WIPO. There was strengthening of internal coherence that, in turn, resulted to better and strengthening engagement with Member States. The Delegation welcomed very positively the increased engagement related to SDGs that was now reflected in the resources of Program 21. The Delegation also welcomed that very positively. The Delegation also welcomed very positively the centralization of WIPO events and protocol-related activities. Joining others, the Delegation, not just for Indonesia, had ASEAN events in the General Assembly and events in various occasions within that Organization. The Delegation assured that that would not be the last time Indonesia would have events with the Protocol Division of WIPO. It had been a great pleasure to work with the Event and Protocol Division of WIPO. The Delegation welcomed the centralization of WIPO Events and Protocol-related activities reflected under the resources to be budgeted for under Program 21. After listening very carefully to the explanation of the Director General, the Delegation welcomed and took note of the increased demand for legal services. The Delegation welcomed the creation of a program dedicated to the judicial administration of IP to be budgeted and managed under Program 21 in the Executive Management. The Delegation hoped for more internal coherence and stronger organization of WIPO, which had been the case so far, and the Delegation was sure it would continue and that it would also in turn result with better engagement of all Member States.

308. The Delegation of Guatemala, speaking on behalf of GRULAC, thanked the Director General for the information provided. That information was very helpful in gaining a broader vision and overview of each of the topics that had been presented to that afternoon. GRULAC asked to reserve the possibility to present follow-up questions on those and other issues. The Delegation took that opportunity to thank the Organization for their management and support in the development of activities put together by different members of GRULAC.

309. The Delegation of the Russian Federation warmly thanked the Director General for his comprehensive comments provided concerning the WIPO policy on expanding language content in all official languages of the Organization. The Delegation stressed the fact that it very much valued that approach as described, which showed WIPO's commitment to multilingualism and to achieving the goals of its language policy. The Delegation looked

forward to further joint work with the Secretariat on reflecting existing activities and plans for expanding the language coverage of WIPO in the Draft Program and Budget, and it looked forward to further productive cooperation.

310. The Delegation of Croatia, speaking on behalf of CEBS, reiterated that it would continue its support for all of those activities mentioned and carried out under Program 21. The CEBS Group believed that both the Organization and the Member States profited from them, as they contributed to the implementation of Strategic Goal IX and the Delegation was grateful for that. In its national capacity, the Delegation expressed its satisfaction with the activities carried out, especially as mentioned in the implementation strategies. The Delegation had, as a country, profited a lot from activities for the strengthening of judicial administration, but also for events happening during the WIPO Assemblies and other events happening outside of the General Assembly. The Delegation commended the Organization for its support when carrying out such activities.

311. The Delegation of Iran (Islamic Republic of) was grateful to the Director General for his invaluable and insightful comments on the proposed Program and Budget. It was a very assistive tool for the Delegation to better digest the rationales behind the proposed Program and Budget. The Delegation asked whether the Committee would open the discussion on Program 21 or if it was still in the previous Programs because it had some comments from colleagues on Program 21.

312. The Chair responded that Program 21 would be discussed the following day. For questions or comments on the detail, the Chair suggested leaving them for the following day but noted that should delegations have had bigger strategic issues, they may have wished to raise them that day. The Chair noted he was in the hands of the delegations.

313. The Delegation of Iran (Islamic Republic of) indicated that they would be happy to discuss their comments on Program 21 the following day.

314. The Delegation of Romania took the floor and expressed its appreciation to the Chair regarding his leadership and continued commitment to the work of the Committee. It also wished to thank the Secretariat, the Department of Program Planning and Finance, particularly for their work on the preparation of that session and the Draft Proposed Program and Budget for the 2020/21 biennium. The Delegation aligned itself with the statement of the CEBS Group. Regarding Program 21, Executive Management, the Delegation also noted with satisfaction the WIPO Secretariat's effective engagement with the Member States, including the normative discussions. Further, the Delegation appreciated the active collaboration exhibited with other United Nations specialized agencies and IGOs in order to promote innovation, creativity, including sharing of good practices and similar. The Program envisaged effective, efficient, quality and custom-oriented supported services that indicated an agile and smooth functioning WIPO Secretariat with the well-managed and appropriately skilled workforce, which was capable to deliver outstanding results. The Delegation commended the Office for its ability to provide prompt legal advice, enhanced services for the organization of the WIPO Assemblies, and its diligence to deliver high-quality events-related services to Member States and other stakeholders in organizing high-level events capable to increase the visibility and raise awareness of the role of the IP in fostering economic, social and cultural development. It also noted a substantive increase of 30.3 per cent of the budget of the Program, notwithstanding that was coming from a restructuring of the activities with a clear purpose to improve the performance and reduce administrative burdens. Nonetheless, the Executive Management performance was the best mirror of the overall financial performance of the Organization.

315. The Delegation of Malaysia warmly thanked the Director General for his presence that afternoon and for his very comprehensive clarification on a number of issues that had

been raised by the Member States in the Program and Budget Committee over the previous few days. The Delegation commended and congratulated the Director General for his stewardship of the Organization, noting that his excellent work certainly showed. The Executive Management was certainly a testament to the sound management of the Organization. The Delegation also recognized the good work that WIPO had done for Member States and the close engagement with all Member States, regardless whether that was at Committee meetings, bilaterally, regionally, and any other support that may have been requested from WIPO. In particular, the Delegation also wished to recognize the Protocol and Events Management Division. WIPO had certainly become a very popular venue for the permanent missions in Geneva to host IP-related and other sociocultural events, and the Delegation thanked WIPO for that assistance. That support indirectly increased WIPO's reputation and visibility. The Delegation noted that it hoped to further strengthen its cooperation with WIPO on all fronts.

316. The Delegation of Mexico thanked the Director General for his presence that afternoon and for all of the information that he had shared with the Committee. It was extremely useful to hear from him and to hear the information and points that had been presented to the Committee that session. The Delegation also expressed its thanks to the Organization with regard to the events relating to intellectual property in sports. The Delegation believed that enough could never be done to raise awareness around that topic both within the Organization and outside of it. With regard the Rewards and Recognition Program that had been presented, the Delegation wished to note some reflections. It took note of the fact that such a reward would not be applied for the year 2019, which presented the Delegation with somewhat conflicting feelings. First of all, because the Delegation was convinced that there were members of staff of the Organization who really stood out in their work and did very important work, going above and beyond to achieve their targets and goals. It was also highlighted that for many delegations, and certainly for the Delegation of Mexico, it was not a case of a Rewards and Recognition Program not being applied or not existing. The Delegation noted it was seeking a balanced system, which was predictable for staff and for Member States alike. The Delegation welcomed the Director General's offer to continue dialogue on that subject, and the Delegation indicated that it would connect with the Secretariat in order to continue with the cooperation, which had stood out throughout the entire process.

317. The Director General thanked all the delegations for their observations and comments. In response to the Delegation of the United States of America, he said that the figures on the percentages of those staff who receive effective performance or higher could be provided, and that, the performance appraisal continued to be a question. In response to the Delegation of Mexico, he apologized if he had been unclear, or a little too quick in the terminology. He clarified that in 2019 the Secretariat was already reviewing the award of various rewards and recognition, but that there would be no Organizational reward. That meant that there would be individual rewards in accordance with the Office Instruction. That Office Instruction covered various categories. One category was the organizational reward. He believed that only area of contention was the organizational reward. He concluded that the Secretariat would continue to discuss the matter and seek to refine it in such a way that it responded to the criteria that Member States had mentioned.

318. The Chair announced that the Committee would then continue with agenda item 6 the Draft Proposed Program and Budget for the 2020/21 biennium. The next Programs to be reviewed would be those contributing predominately to Strategic Goal IX. He clarified that the topic of the WIPO digital timestamping service would be addressed at the time Program 28 was reviewed and that the Secretariat had already released a question and answer document relating to it. He invited any delegations who had not seen that document to request one from the Secretariat. The Chair also recalled that a new version of the Q&A document concerning Program 9 had been posted on the PBC website and was being sent

to the regional coordinators and that it addressed some of the additional clarifications requested by the Committee. On completion of the Program reviews, the Chair proposed to move once again to the Committee's consideration of Annex III, a topic that had been raised by a number of delegations, namely the methodology for the allocation of income and expenditure by Union. He noted that the Director General had provided several clarifications on various topics, including the methodology for the allocation of income and expenditure by Union, the WIPO Rewards and Recognition Program, multilingualism and the judicial training institute. Before the substantive discussion began, the Chair briefly recalled the discussion and conclusions from the previous day. At the previous session, the Committee reviewed Programs under Strategic Goals VI, VII and VIII, with the benefits of clarifications and explanations provided by the relevant Program Managers. He then summarized the conclusions of those discussions by Program. Strategic Goal VI and Program 17, no changes were made signifying that the Committee was content with the content of that Strategic Goal. Strategic Goal VII, Program 18, likewise had no requests for changes, and so it was agreed that the Committee was content with that Program. Strategic Goal VIII and Program 19. The Committee agreed to the following change: On page 121, there was a modification of the performance indicator under ER VIII.1 and that was the existing text was 'Engagement: Interaction with WIPO publications and promotional materials in – 'different' was deleted – and replaced with 'all official' languages. The new performance indicator thus read in full, "Engagement: Interaction with WIPO publications and promotional materials in all official languages and formats including for under-served audiences." The second point on Program 19 was an outstanding issue that was being discussed by the interested delegations, in relation to the KPIs for translation of publications in all official United Nations languages. That topic would be brought back to the plenary as and when some progress was made. The Chair then summarized: one change on Program 19 and one outstanding point remaining to be resolved. The Chair then turned to Program 20. There were a few modifications that were agreed by the Committee on Program 20, page 124, in the risk and mitigation actions. There was an amendment of the risk to read, "Multilateral negotiations and meetings do not adequately consider WIPO's role" It was decided to stop the sentence after the word 'role', and to delete the second half of the sentence because some delegations had concerns around use of the word 'duplication'. The risk on page 124 was, thus, modified to, "Multilateral negotiations and meetings do not adequately consider WIPO's role." On page 129 in the Results Framework, ER VIII.2, there was a modification of the target related to the performance indicator, 'processing time of inquiries', to reflect the following: the target would read, '90% within 24h (all offices)'. The Secretariat was requested to circulate the pages, which it had prepared for Program 20 using track changes that reflected that agreement. Regarding Program 19, there was one relatively modest change, and given there was one outstanding point, the Chair proposed that those changes not be circulated for the time being, and would be circulated once the language was sufficiently clean. The Chair then turned back to a request for a technical clarification from the Delegation of Brazil regarding Program 3 on the ABC service. The question, it was recalled, was on the take-up by developing countries and LDCs under the ABC service. The Chair invited the Secretariat to take the floor.

319. The Secretariat recalled that the question raised by the distinguished Delegate of Brazil was regarding the number of books downloaded by authorized entities in developing and least developed countries, out of the total of the 14,500 books downloaded through the ABC global book service. The Secretariat clarified that out of the 14,500 digital files downloaded, which was the cumulative figure as of December 31, 2018, a total of 1,200, i.e. 8.3 per cent, were downloaded by authorized entities located in developing or least developed countries. In order to increase the number of files downloaded by developing countries and LDCs, the Program was taking the following measures: (i) they were increasing the support to developing countries and LDCs for adherence to the Marrakesh Treaty and providing technical assistance on legislation; (ii) they were accelerating the signing of additional authorized entities in developing countries and hiring additional

resources to speed up the integration of the catalogs of new authorized entities; and (iii) embarking on capacity building projects in developing countries to train and assist in the production of accessible copies of local educational works. The Secretariat offered that should the Delegation of Brazil or any other delegation have any additional technical questions, a representative from the Program was present to assist and respond to them.

320. The Delegation of Russia wished to start by noting that that day they were celebrating the most glorious monument in their country, the Victory Monument. The Delegation said that almost every family in its country knew about the war because that war was experienced by all families of the former Soviet Union and countries of Europe. It was a difficult heroic struggle, which helped to free the world from Nazism. The Victory Day that was being celebrated that day was a day of joy, and at the same time, it was a day of sorrow, sorrow over the fact that people gave up their own lives in the name of freedom for others. The Delegation said, "let us raise the memory high of these people who gave their lives for us." The Delegation then turned to Program 21. The Delegation expressed its gratitude to the units of the Secretariat that deal with the organization of WIPO activities. Thanks to the active position and stance taken up by that unit, WIPO had become the central platform for organizing both diplomatic and cultural events in Geneva. For its part, the Delegation particularly noted the assistance given in preparing for the exhibition by the Regional Groups at the last session of the Assemblies of Member States of WIPO. Other technical questions relating to the Programs as part of Strategic Goal IX would be addressed by the Delegation at a later stage.

321. The Delegation of Brazil began by joining the Delegation of Russia in remembering Victory Day of World War II. The Delegation said that it certainly affected every corner of the world, including Brazil, despite the geographical distance from the battlefields. The Delegation joined Russia in remembering that day. Turning to the question regarding Program 3, the Delegation thanked the Secretariat for providing the answer. The Delegation understood that a revised version of the Q&A had been released, and thus, proposed that in case that current question and answer was not on that document, it could be included in a later version.

322. The Chair noted that the question and answer noted by the Delegation of Brazil could indeed be included on the Q&A document.

323. The Delegation of Tunisia took the floor concerning Program 21. The Delegation wished to thank and congratulate the Secretariat for the efforts made in the various areas of activities falling under its purview. The services had been well-organized and available to all. Tunisia believed that the goals set out in the strategy for implementation of the Program reflected, in the Delegation's view, a constant wish to think about self-improvement and efficiency. As for the risks and mitigation measures, the Delegation suggested that, while the geographical location of EOs could cause coordination issues, it believed that WIPO would ensure that there was no fragmentation and that the EOs were integrated into the central activities of WIPO. The Delegation also stressed the excellent work of the Protocol and Event Management Division and the professionalism shown by the staff the made up that organizational unit. The Delegation then turned to the issue of improving the organization of events, which were the cornerstone of facilitating the work of Member States and observers. The Delegation commended that unit for the aid and assistance given to Tunisia and to all states. The Delegation believed that WIPO's commitment to the decentralization of protocol and other activities organized by the Organization may have required redeployment of the budget to cope with the enormous number of events being organized. Finally, the Delegation underscored the importance of strengthening WIPO's contribution to the implementation of the SDG 8.5 and also integration into the action plan of WIPO for development in all Strategic Goals: gender equality, reduction of inequalities, SDG 10 and partnerships.

324. The Delegation of Italy took the floor referring to the changes to Program 20 that had been circulated, noting it had no comment on Program 21. With reference to the revised version of Program 20, the Delegation wished to raise, again, the issue, which also concerned Program 9, regarding the performance indicator for the Lisbon System. The Delegation appreciated the Secretariat's explanation the previous day and had also met bilaterally with the Program Manager of Program 32, Lisbon System. The Delegation proposed that, for reasons of transparency and consistency, the inclusion of a reference to the geographical expansion of the Lisbon System would be an added value because it was not only the number of applications that provided a real understanding on how the System was relevant, especially for the developing countries and the LDCs that were a priority for the Delegation. The Delegation therefore raised again the request to add such a performance indicator.

325. The Chair responded that it was well-noted. He said that his objective was to close Programs as the meeting proceeded, but that the most important consideration was that by the end of the week, the Committee could take a collective decision on what was outstanding. He thanked the Delegation for raising the matter, but proposed not to raise take it further at that moment, as Program 21 was under consideration. The Chair encouraged conversations on such matters to continue outside of the plenary, with a view to returning to the matter the following day before the meeting was closed.

326. The Delegation of India took the floor with reference to Program 21. The Delegation began by conveying its appreciation of the Director General of WIPO through its Chief of Staff for the efficient functioning of the Executive Management team of the Organization. The Delegation strongly believed that Executive Management was the core of an organization, and it steered the efficient running of the other arms. The professionalism and seamless coordination exhibited in the successful organization of the WIPO Assemblies deserved merit. The efforts and hard work put in by the Executive Management team had enabled better communication of the Organization with Member States. The Delegation also wished to place on record its appreciation of the work of the Protocol and Event Management team of WIPO for its visibility, professional delivery and positive engagement. The Delegation also supported the creation of the program on judicial administration of IP, since it was confident that such a new program would enhance WIPO's ability to provide enhanced legal assistance to Member States in the administration of IP. On the subject of development of WIPO's comprehensive ethics and integrity system, the Delegation favored the development of the standards and principles that met the best practices in the United Nations System. The Delegation requested the Organization to strictly enforce the rules governing communication of WIPO's staff members with Member States in line with the standards of the International Civil Service code of conduct rules.

327. The Delegation of Iran (Islamic Republic of) supported the statement by the Delegation of Italy on programs. It was very important for the Delegation to see the equal treatment of all unions administered by WIPO. On Program 21, the Delegation welcomed WIPO's systematic approach in the area of the judicial administration of IP through the WIPO judicial institute, in particular the successful organization of the first IP judges forum. The Delegation also supported consistent, efficient and effective assistance in the judicial administration of IP in Member States for the next biennium. On the organization of the WIPO Assemblies, the Delegation expressed its gratitude to Mr. Prasad and his team for their excellent functioning. The Delegation was fully satisfied with their functioning in that regard. On WIPO's contribution to the United Nations Chief Executive Board, the Delegation supported strengthening WIPO's active role in the CEB, in particular, and more engagement in the realization of the SDGs. With regard to event-related services, the Delegation welcomed the wise decision of WIPO to centralize the event and protocol-related activities. The Delegation was satisfied with the quality services and assistance offered to Member

States in organizing national events for IP-related programs on WIPO premises. The Delegation expected the same approach to be undertaken for the next biennium.

328. The Delegation of Brazil wished to underline the highly professional and efficient service provided by the Protocol and Event Management Division. The Delegation noted that it had organized events during the current biennium and planned to organize events for the next biennium. The professionalism allowed the Delegation to have seamless organization. The Delegation also recognized the highly qualified work of the General Assemblies. It was a major event of the Organization with representatives from every country. Notwithstanding that, the Delegation had a very successful experience. The Delegation went on record complimenting the office of Mr. Prasad on that point.

329. The Delegation of the United States of America recalled Group B's statement on increased transparency with respect to how the budget was planned for and impacted by staff settlements. The Delegation was not sure if Program 21 or Program 23 was where that should be raised. However, the Delegation wanted clarification.

330. The Delegation of Canada reiterated its thanks to the Secretariat for providing helpful tables throughout section 2, Program Narratives by Strategic Goal. Of particular interest was how the tables illustrated the proposed 2020/21 budget compared to the 2018/19 approved budget as well as the 2018/19 budget after transfers. As previously noted, there were a number of notable deviations, i.e. plus or minus 20 per cent, between what was proposed under the 2020/21 budget from what was approved under the approved budget 2018/19 as well as the 2018/19 budget after transfers. For the purposes of discussion under Program 21, the Delegation sought additional information on the increased resources proposed for third-party travel, training and related travel grants, and other contractual services.

331. The Delegation of the UAE joined the other delegations in expressing their satisfaction with the excellent work done by the executive management and, in particular, the Protocol Division. The Delegation recalled that in the last General Assemblies, the Delegation organized an event entitled "Innovation Art and Intellectual Property in the United Arab Emirates." The Delegation appreciated the efficiency and commitment demonstrated by the protocol team and security. Therefore, the Delegation welcomed the centralization of WIPO events and protocol-related actions proposed in the budget for the next biennium. As explained by the Director General the day before, there was a necessity to increase the capacity building for judges to end IP disputes that had a new nature. Therefore, the Delegation was delighted to see the creation of a program dedicated to judicial administration. The Delegation noted WIPO's commitment to engage with other United Nations agencies and IGOs in the matter of the SDGs, and urged WIPO to continue working toward further cooperation with Member States.

332. The Delegation of Uganda, speaking on behalf of the African Group, underscored the importance of work carried out under that Program, ranging from delivery services to Member States on a range of issues, excellent organization of meetings, including the WIPO Assemblies, and general protocol services for Member States in national events at WIPO. The Group supported all initiatives intended to further enhance efficiency in the delivery of those opportunities. With specific reference to the new program dedicated to the judicial administration of IP, it was recalled that in the Delegation's statement on the Program and Budget, the Delegation had requested further information on that program. The Delegation had also requested more information concerning its objectives and how to collaborate with other related programs in the Organization. The Delegation thanked the Director General for his statement on that issue. The Delegation was confident that the new program would enhance coordination and deliver capacity building and technical assistance to judicial authorities of Member States. The Delegation was, therefore, in a position to support its

inclusion in the Program and Budget and welcomed the increase in resources for that Program.

333. The Delegation of the Russian Federation thanked the Secretariat for preparing the draft budget for Program 21, noting that it was extremely important to continue to strengthen assistance to Member States. That was one of the key tasks of the Program. The Delegation believed that it was key to have WIPO participate in the CEB on a wide spectrum of systemic issues related to the functioning of the Organization. It further noted that it was important to have further development of a comprehensive system of ethics and integrity and further strengthening of the monitoring function of WIPO and supervisory instruction. The Delegation was convinced that the 30 per cent increase in the budget that had been proposed for that Program would help resolve all of the administrative issues facing the Organization.

334. The Delegation of China was of the view that Program 21 was very helpful for the smooth running of the Organization and thanked the Secretariat with regard to that Program. It had listed the very detailed implementation strategies, including providing services to Member States and other stakeholders to organize important IP events as well as to provide timely and credible legal services. The Delegation was also willing to strengthen the cooperation with this division. With regard to ER III.2 and the performance indicators, which stated that developing countries and LDCs as well as transitional countries needed to strengthen their HR capacities so that they could be capable of responding to the large demand in IP, the indicators were about this satisfaction level of legal personnel. The Delegation inquired whether there should be a broader indicator that would not only limit the training to legal personnel. The Delegation asked for clarification from the Secretariat.

335. The Secretariat thanked the delegations for their very positive comments and appreciation of the Program, noting that the Executive Management, which, as had been mentioned by some of the delegations, provided the fulcrum for the smooth and seamless and effective functioning of the Organization. Having said that, the Secretariat called for a time to introspect, in the sense that there had been an exponential increase in the number of events that were managed by WIPO. The Secretariat was not asking for additional funds. To give some background, the Secretariat provided the number of events given from 2014 to 2018, which were as follows: 2014, seven events; 2015, 55 events; 2016, 78 events; 2017, 104 events; and 2018, 157 events. Given the limitation on resources, both human as well as financial, it was a moment to introspect that WIPO needed to consolidate those services. The Organization needed to make sure that the quality of services did not suffer, and there was a need to draw up some very transparent guidelines of how the Organization should manage those events, which would be fully done in consultation with Member States because the Director General was absolutely clear in his view that the Organization, its facilities, and its premises belonged to the Member States. It did not belong to the Secretariat. That was the fundamental shift in thinking. The Secretariat would consult with the Member States to find ways and means in which, while maintaining the quality of our services, the Organization did not get to a point where it became almost impossible to handle those events. The Secretariat noted that it would work on that. The Secretariat recalled the remarks by the Delegation of Tunisia, which mentioned the redeployment of resources. The Secretariat noted that it had already done that. The Secretariat had redeployed some human resources to Protocol and Event Management. On the financial side, the Secretariat kept it as tight as before. Mention was also made of the seamless logistical arrangements of the Assemblies, noting that the organization of the Assemblies was a fairly complex process. The Secretariat explained that it had introduced several refinements in recent years and hoped to improve on them further, based on the comments from the Member States. Regarding the Office of the Legal Counsel, the Secretariat thanked the across-the-board support for the creation of a program dedicated to judicial administration. The Secretariat noted that it had been enhancing its engagement on the SDGs. In response to the issue

about communication by WIPO staff with Member States and adherence of the code of conduct raised by the Delegation of India, the Secretariat had taken serious note of that and would see how best to implement it. In response, to the Delegation of the Russian Federation's remark that WIPO should participate in CEB meetings, it was noted that WIPO regularly participated in CEB meetings, further noting that the Director General was currently in the CEB meeting being held in the ILO. WIPO was fully engaged with the Chief Executives Board meeting. The Secretariat addressed the question raised by the Delegation of China on why a particular indicator made a specific reference to participants in judicial training. The Secretariat explained that in Program 21, the capacity building activities, which were being undertaken in respect of ER III.2, were all related to the Judicial Training Institute. The Judicial Training Institute was all about the judiciaries who were participating in the training programs, and therefore that particular indicator was targeted to measure their satisfaction of the capacity building which the judicial program was undertaking. For example, Program 17, on page 112 of the English version of the Program and Budget, showed a similar type of indicator which was related to the participation in building respect for IP-related training. It depended on the substantive content of the Programs when the level of satisfaction was measured. The Secretariat addressed the questions from the Delegation of Canada, as regards to the increases in the cost categories. The first one, on third-party travel, was related to the establishment of the Judicial Training Institute, so it was not there before. It was not in the Program and Budget 2018/19, and, therefore, the increase shown was entirely related to that. In relation to training, which was primarily the Judicial Training Institute, the activities, which were being proposed there as far as increasing other contractual services was concerned, related to the Ethics Office and to the implementation of the Policy on Financial Disclosure. That explained the increase in other contractual services.

336. The Delegation of China thanked the Secretariat for the explanation and asked for more clarification with regard to the ER III.2 performance indicator. The Delegation asked why there was only one performance indicator under that Expected Result. The Delegation believed that that indicator was inappropriate there. The Delegation stated that the Organization was trying to use IP to promote development under that expected result. The Delegation believed this had attracted attention for many developing countries, including China. The Delegation wanted to use IP to promote development. As a Member State, the Delegation looked forward to WIPO helping the Member States improve relevant capacities. The Delegation inquired if more indicators under that expected result could be included. Apart from those judiciaries that had participated in those trainings, the others who also benefitted from this result could be reflected in some indicators.

337. The Secretariat took the floor to clarify that ER III.2 was an organizational expected result to which a lot of Programs contributed, which meant that other Programs would show those indicators relevant to those Programs in their contribution to the expected result. For example, under the expected results for Programs 9 and 10, there were clear indicators that measured the contribution of those programs to that particular expected result and, in particular, which measured the satisfaction of participants in the training programs. It also measured the use of the enhanced skill in those training programs, which was shown across many different Programs and, in particular, concerning IP for development, but not exclusively, in Programs 9 and 10.

338. The Delegation of the UAE requested clarification on page 137 of the English version of the budget, noting that it had been shown that the United Nations joint services had a reduction of 100 per cent. The Delegation asked if that was eliminated from the budget.

339. The Secretariat responded to the question from the Delegation of the UAE and noted that it was a typo. For the CEB, 40,000 Swiss francs per year was contributed by WIPO to the CEB Secretariat. The document should show 80,000 Swiss francs.

340. As there were no further requests for the floor, the Chair proceeded to open the floor for discussions on Program 22.

341. The Delegation of Switzerland thanked the division and the Assistant Deputy General for the excellent work throughout the year and the support for this committee.

342. As there were no further comments, the Chair proceeded to open the floor for discussions on Program 23.

343. The Delegation of Guatemala, speaking on behalf of GRULAC, took the floor to speak with respect to the increase in the staff. Concerning the WIPO Rewards and Recognition Program, and also the results rewards given the explanations provided by the Director General the day prior, GRULAC believed that issuing of recognition and reward systems were an excellent way for staff to be recognized for extraordinary effort and for achieving greater efficiency in the work of the Organization and that such programs should be implemented in accordance with document A/72/30.

344. The Delegation of Canada, speaking on behalf of Group B, noted that in Group B's opening statement, it had expressed that it would like to know the reasons for the increase in the proposed line item for the Rewards and Recognition Program in the draft budget. The Group also called upon the Secretariat to deliver a framework for the program that was based on Annex VI of the ICSC report for 2017, reflecting the ICSC decisions in that document as well as the principles and guidelines it set out. Group B had also mentioned that it would appreciate it if that document could be reviewed by the IAOC with appropriate consultations and presented to Member States for discussion and adoption. Group B noted that it would be interested in follow-up from the Secretariat on those requests.

345. The Delegation of Lithuania conveyed its appreciation to the Human Resources Management Department in its efforts to solve gender gap issues in the personnel of WIPO as well as the issue of geographic representation. The Delegation expressed gratitude for the outreach mission, which was organized through Lithuania a year before, which helped the Delegation to better deal with the underrepresentation of its country. The Delegation believed that staff that showed excellence in their work had to be motivated and devoted. The Delegation trusted that the Rewards and Recognition Program was dealt with prudence and intelligence and stated that it did not have a very specific comment or complaints on that.

346. The Delegation of the United Kingdom aligned itself with the statement delivered by the Delegation of Canada on behalf of Group B on agenda item 6. On that program, the Delegation stated its support to the efforts the Secretariat had put in place to promote and run Human Resources Management and Development. Encouragement and motivation to staff to perform well were essential, as were individual and team rewards and recognition. To that end, the Delegation supported cause for rewards and recognition programs targeting exceptional performance of individuals and teams. The Delegation expressed that it was the only way in which the Organization's Rewards and Recognitions Program fulfilled its purpose, that was to motivate staff for outstanding performance. The Delegation stated that rewards and recognition programs should not be part of regular remuneration schemes. The Delegation appreciated the level of transparency that the Secretariat was demonstrating on the budgetary side and were ready to work within the PBC to find a good solution. The Delegation called for a similar level of transparency on the policy side. Therefore, the Delegation reiterated the request made by Group B, that the Secretariat should provide a policy to the IAOC for review, advice and recommendations and to submit the Rewards and Recognition Program to Member States for discussion and adoption. The Delegation was of the view that the Coordination Committee would be the most appropriate body to discuss such a document.

347. The Delegation of Sweden supported the Delegation of Canada's intervention under its national capacity regarding the Rewards and Recognition Program. Regarding gender balance, the Delegation mentioned the importance for continued work and improvement on the results on indicators for gender balance at WIPO. The preliminary overview of WIPO's financial programmatic performance in 2018 showed some stagnation in improvements on the target for gender balance indicators. However, the target for the program under performance indicator under ER IX.2 showed that the targets were still ambitious for the coming biennium. The Delegation welcomed that and hoped that the Organization could mobilize enough resources and effort for the coming work with that important matter. In the long run, the Delegation would like to see gender balance for all different levels as well as totally.

348. The Delegation of China thanked the Secretariat for its work on geographical representation and gender balance work. The Delegation believed that in the HR management programs, WIPO should consider the overall geographical diversity. It should also consider the global IP system's special HR needs. At the same time, WIPO should pay attention to the geographical diversity of various work areas of the Organization because diversified personnel structure would make work more efficient and creative. From the perspective of the Organization's development and stable functioning, the Delegation believed that WIPO should strengthen outreach to raise international communities' understanding of WIPO to ensure the Organization's attractiveness and competitiveness in the global recruitment of talent.

349. The Delegation of the Russian Federation supported the statement of its regional coordinator, which was delivered at the beginning of the session of the committee. The Delegation believed that it was necessary not only to have an increase in the number of states represented, but also an equaling out of the distribution of those as a whole. In connection with ER IX.2 of Program 23, the first indicator on geographical diversity was rather abstract in the way it looked in terms of its final target. To improve the situation, the Delegation proposed the possibility of establishing an appropriate national mechanism, a focal point coordinator or a task force of some type, which could deal with the question of geographical diversity in the Secretariat. The coordinating body could work on a comprehensive study of possibilities for increasing the geographical representation in WIPO. Member States could then consider possible versions for adopting a strategy on improving geographical representation with specific goals and indicators. At the very beginning of the document, there was something stated to the effect that the budget that had been presented did not reflect the decision of the United Nations General Assembly. On the new scale for potential remuneration, it stated that the approximate consequences amounted to about 3 million Swiss francs. Inasmuch as that was a question that related to conditions of service and staff issues, the Delegation asked for clarification if the final figure concerning budgetary expenditure would be presented in July and if that would reflect the three million figure previously mentioned.

350. The Delegation of Canada reiterated its serious concerns over the "enhancement" of the WIPO performance reward. The Delegation stressed that its concerns, as expressed by Canada's ambassador on May 7th and supported by a number of Member States, remained unaddressed. The Delegation added that those concerns had also been previously relayed to the Secretariat on multiple occasions by multiple Member States through multiple means, not the least of which being the United Nations General Assembly. The Delegation reiterated that it would not be in a position to approve any proposed increase in the budget of the WIPO Rewards and Recognition Program with regard to the WIPO performance reward unless: one, the funding provision was caveated as "for use only as rewards for a limited number of outstanding or exceptional performers in line with the ICSC framework"; and two, that the provision were adjusted downwards to reflect that caveat.

351. The Delegation of Japan echoed the statement made by Canada on the WIPO performance rewards. The Delegation was of the view that the provision of rewards should be limited to outstanding performances made by individuals and teams on an exceptional basis.

352. The Delegation of Iran (Islamic Republic of) expressed its gratitude to the Human Resources Department for their policy and efforts to reduce the gaps in geographical representation of Member States. The Delegation recognized the achievement made and was of the view that more needed to be done in the next biennium. With regard to the WIPO Rewards and Recognition Program, the Delegation noted the explanation provided by the Secretariat, including remarks delivered by the Director General the day before.

353. The Delegation of the United States of America appreciated the information provided by the Secretariat thus far on the Rewards and Recognition Program. However, the Delegation remained concerned with the Rewards and Recognition Program and supported the statements made by the Delegation of Canada in its national capacity and on behalf of Group B. The Delegation reiterated that the financial scope and significance of the organization performance reward required further consideration by Member States. In particular, there should be an effort to ascertain the alignment of the program with United Nations Common System principles and recommendations by the International Civil Service Commission. It should take into account the serious concerns expressed on that subject by the United Nations General Assembly in Resolution 73/273, develop criteria that would guide determinations on organizational performance, as well as the role of WIPO Member States in making such determinations. The Delegation then read out a few questions and offered to provide a copy of the questions to the Secretariat if helpful. The Delegation asked if the Office Instruction 31/2015 revision 3 or Program 23, as delegations suggested, would be rewritten to limit the number of rewards to only outstanding or exceptional performers. The Delegation asked for the Secretariat's views on Group B's requests regarding a framework on the Rewards and Recognition Program based on the ICSC 2017 report being presented to Member States for discussion and adoption.

354. The Delegation of Guatemala, speaking in its national capacity, suggested to refer back to the information sessions that were held in the earlier session concerning the promotion of posts in WIPO and the idea of establishing parameters, which were indicated in the information sessions during the last session. In that session, there was mention that there could be the promotion of the application of posts within the Organization through countries, which had no representation as of yet, and also establish a gender balance and ensure that some delegations which were not represented could apply. That exercise was quite productive as parameters were set for the HR division. Those were guidelines, which could be useful in the future so other delegations could acquaint themselves with the ways of increasing the representation in the Organization.

355. The Delegation of Brazil wished to underline the necessity that WIPO progresses toward more equitable geographical representation, noting that it was something that the Delegation had mentioned earlier that week. The Delegation noted that an imbalanced geographical representation persisted as per the baselines on page 143 of the English version of the draft budget. The Delegation also noted that not much progress had been made since the United Nations Joint Inspection Unit issued a management and administration report in 2014. The document was available under WO/PBC/23/4. The Delegation wanted to discuss mechanisms that could address that issue in the Organization.

356. The Delegation of Belgium thanked the Director General for the clarifications given the day before on a number of points, but the Delegation was still concerned about the financial organizational rewards. The Delegation referred back to the information, which was contained in the recent JIU report but which was not totally comparable. Paragraph 138 of

that report discussed establishing reward programs for staff. It should only be for exceptional efforts carried out by one person or a team. No other organization in the United Nations had provided for any rewards for organizational performance as WIPO had done. The Delegation continued to support the statement made by the Delegation of Canada and the requested support by a number of delegations to limit the financial rewards to workers who had done exceptional work and to adopt the draft budget for 2020/21 in accordance with that.

357. The Delegation of the UAE commended the efforts shown by the Human Resources Management Department, particularly in implementing WIPO's objective to ensure staff were recruited on as wide a geographical basis as possible. The Delegation endorsed the importance of the balance of geographical diversity and urged the Secretariat to consider enhancement of promotion and outreach in the strategy for geographical diversity. The Delegation recalled that bullet point 6 on page 142 of the English version of the budget stated "...in partnership with engaged Member States." Therefore, the Delegation sought clarification from the Secretariat on why it was with engaged Member States only. It could be with Member States as well as mentioning the increase in personnel for promotion of gender equality, only not including geographical diversity. The Delegation sought clarification if there was an increase in promotion for geographical diversity as well as promotion of gender equality on page 143 romanito 1.

358. The Delegation of Mexico aligned itself with the statements made by the Delegation of Guatemala on behalf of GRULAC, and the statement made by the Delegation of Canada.

359. The Delegation of Tajikistan expressed gratitude to the Secretariat for the work done and noted with satisfaction the expansion in cooperation between Tajikistan and WIPO, which gave major advantages to the Delegation's national bodies. In that context, there was still potential for further improvement in the cooperation. The Delegation asked the Secretariat to consider the possibility of adding to the posts in the assistance to countries with economies in transition, noting that that could be clarified in Program 23, where it talked about the HR management for the next biennium. That would significantly promote the improvement of potential for the Delegation's possible cooperation with WIPO.

360. The Secretariat thanked the delegations for their comments and support. With respect to geographical distribution, the Secretariat recalled that the Coordination Committee had dealt with this matter in 2016 and that there had been a Working Group which had produced a report (document WO/CC/73/5 of 15 September 2016). The Secretariat mentioned that the Regional Coordinator who had raised this issue at the opening of the session had been provided this document. It added that the Coordination Committee had taken note of the report and had endorsed the preliminary recommendations. The Secretariat clarified that the preliminary recommendations were for it to continue its outreach and to engage with Member States that were unrepresented. The Secretariat stated that there was a lot of discussion about the 1975 Accord on geographical distribution and there was no consensus had been reached by Member States on a new formula. Based on the guidance from the Coordination Committee, the Secretariat continued its outreach initiatives, and continued to request Member States that were unrepresented to establish focal points to ensure that there was a constant and good flow of information in order to ensure that there would be more applications from qualified candidates for vacancies. The Secretariat reiterated that, if Member States wished to go back and reopen this issue, the Secretariat would be willing to follow the Member States' guidance. With respect to the WIPO Rewards and Recognition Program, the Secretariat thanked the delegations who had offered to continue to engage on the question and mentioned that it would continue to consult with interested Member States on the framework of the Program that Member States would deem compliant with the ICSC guidance. The Secretariat stated that it had followed the guidance of the ICSC carefully and had remained within the parameters provided, i.e. the overall budgetary cap and the cap as regards to individual awards that could be made. The

Secretariat further stated that WIPO was a specialized agency of the United Nations with its own inter-governmental structure and governing bodies established pursuant to the convention establishing WIPO, which were entirely separate from and independent from the United Nations General Assembly. WIPO was bound only by the decisions of its own governing bodies and not by the resolutions of the United Nations General Assembly. The Secretariat reminded the Delegation that it would be the opposite if the Secretariat of the International Bureau would act upon the decision of any external body to the Organization other than the Assemblies of WIPO and Member States or if the Unions administered by WIPO insofar as it was concerned. In that case, the Member States of the PBC currently assembled would make recommendations on that particular issue to the WIPO Assemblies on matters related to its budget. While some members had invoked the United Nations General Assembly Resolution, only WIPO Member States Assemblies and its governing bodies may decide upon any measures binding upon the Organization. Pursuant to an agreement that WIPO had with the United Nations, the United Nations and WIPO agreed to develop, to the extent feasible, common personnel arrangements. WIPO took that agreement very seriously. The WIPO Rewards and Recognition Program had remained in all matters consistent with both the spirit and the letter of the ICSC guidelines. These were, in fact, the words of the ICSC itself, namely that organizations should use the measures they outlined as guidelines and urged the organizations to continue their efforts in the area of performance management with a view to improving organizational performance as a whole. In the previous month, the Secretariat responded to the concerns that had been raised earlier and issued a revised framework. The Office Instruction formed the framework that had been requested by delegations. As the Director General indicated the day before, he would be willing to further consult with Member States and sought their further input on that framework as it currently existed. To the suggestion of the involvement of the IAOC, the Secretariat reminded delegations that the well-defined mandated responsibilities of the IAOC did not foresee such a role in the review of that particular type of instruction, which would be normally the responsibility of the Secretariat. Regarding the request from the Delegation of the Russian Federation on the 3 million Swiss francs, the Secretariat referred to the opening page of the Program and Budget under paragraph 3. Reference was made to the change in the pensionable remuneration and its impact. It was true, as mentioned several times during that meeting, that the Secretariat had made this proposal and developed that proposal in a very compressed timeframe and that that information had not been available at the time the cost estimate for the personnel costing was made. That element, which was statutory, would be included in the next revision of the budget. To the specific question of the Delegate from the UAE, the resource section explained the actual increases and the reason for the increases. The reason why it said the promotion of gender equality and not the promotion of gender equality and geographical diversity was because, in the Program and Budget 2018/19 and in the Program and Budget 2020/21, there was a dedicated budget for the promotion of geographical diversity. However, it was felt that the budget for the promotion of gender equality had to be strengthened, which was explained in the resource section. It was the explanation of the increase, but, on the contrary, did not mean that there was no budget for the promotion of geographical diversity. It was already there in 2018/19, and it was still there in 2020/21. With respect to gender balance, the Secretariat stated that the Secretariat was making slow progress at some senior levels. The Secretariat also highlighted that WIPO was not a large organization and that the number of posts, especially at the senior levels, was not significant, hence any type of movement made a big difference in the statistics. The Secretariat added that WIPO and every other organization in the United Nations common system struggled to make improvements in gender balance at the senior levels because much fewer applications were received from female applicants. The Secretariat highlighted that this issue was being dealt with at many different levels.

361. On the one hand, a program had been established which provides support to internal female candidates to ensure that they were ready for senior vacancies when they came up. Furthermore, the Secretariat mentioned that it managed a talent pool comprising of potential

external candidates for vacancies, which it tries to develop and increase by various means of outreach. The Secretariat stated that it continued to do everything possible to create a conducive environment to attract and retain women at all levels in the Organization, including conditions of service, working hours, facilities amongst others. The Secretariat admitted that, whilst it was making progress in these areas, it remained a challenge and more could be done to achieve the targets set. With regards to the Rewards and Recognition Program, the Secretariat proposed to hold an information meeting with interested Member States to discuss suggestions and best practices that could advance this issue and refine the current policy.

362. The Delegation of the United States of America mentioned that it looked forward to continued discussions on the Rewards and Recognition Program on that issue. The Delegation mentioned that it had some outstanding questions and would appreciate receiving responses on the record whenever those were made available. The Delegation mentioned Group B's statement in respect to how the budget was planned or impacted by staff settlements. The Delegation asked if that was captured under other staff costs. The Delegation also asked for clarification on a litigate cost for 400,000 Swiss francs.

363. The Delegation of Mexico expressed its gratitude for the information provided and the views of the Secretariat as to the Rewards and Recognition Program and welcomed the proposal that an information session be held on this.

364. The Delegation of Malaysia thanked the Secretariat for the clarification provided on the number of issues raised by Member States. The Delegation made reference to the comment made by the Delegation of the UAE on the portion on resources for Program 23. The Delegation thought it would be good to clearly reflect that the channeling of the Organization's resources were both to the promotion of gender equality and to work on geographical diversity. The Delegation noted the efforts the Secretariat undertook in relation to the discussions that were done under the Coordination Committee, all ongoing efforts and the recent updated statistics that were shared by the Secretariat that made reference to gender and also geographical diversity. The Delegation thought it would be good to reflect both in the portion on the resources for Program 23. Since the implementation strategies in bullet point 6 made reference to work being done around geographical representation and also gender balance, it would be consistent to the implementation strategies and the way the resources of the Organization were being used.

365. The Delegation of the UAE supported the statement by the Delegation of Malaysia. Equitable geographic representation and gender balance, as mentioned in the Implementation Strategies, were close together. The Delegation asked to see them together, as much as the promotion for the Delegation's teaching for both issues was of equal importance to the Delegation. The Delegation reiterated its request to remove the word engaged from the bullet point 6.

366. The Chair asked the delegations if there was any opposition to removing the word "engaged" from bullet point 6. As there was no opposition, the Chair passed the floor to the Secretariat to address the comments of the delegations.

367. The Secretariat explained that the main purpose of that particular point was not to describe all the strategies or activities, which were implemented by the Program. Those were described under the Implementation Strategies. That was a very important point because the Implementation Strategies showed a comprehensive list of all the strategies, which the Human Resources Management Department was proposing to implement in the next biennium, which included continued efforts to work towards a more equitable geographical representation and gender balance. That was one of the strategies that would be implemented with the resources proposed in the proposed budget for Program 23. The

whole of the budget would be engaged in order to implement the strategies that were outlined on page 142. The resource section on page 143 of the English version intended to describe the differences in the budget 2018/19 versus 2020/21.

368. The Chair took the floor to note that the text on page 143 was about the change and turned the floor back to the delegations for further comments.

369. The Delegation of Indonesia, echoed what had been proposed by the Delegation of Malaysia and the Delegation of the UAE. The Delegation noted the clarification given by the Secretariat and understood what page 143 on the wording on resources for Program 23 was supposed to mean in relation to the whole budget for Program 23. The Delegation asked if additional resources were put only for promotion of gender balance but there was no additional resources or additional efforts on making sure that there was more geographical balance within the human resources of the Organization. The Delegation noted that there was an explanation that all the budget of the Program 23 was going to do what was proposed to do in the strategies. The Delegation reiterated that it wanted additional resources and budgetary efforts for geographical representation. The Delegation inquired about the increase in non-personnel resources in the promotion of gender equality and why the same thing would not be applied for the promotion of geographical balance.

370. The Secretariat stressed that the budget for the promotion of geographical diversity was already an integral part of the program, noting that it was reflected in the Implementation Strategies and that the budget was already there. Those resource explanations explained the increase. The Secretariat suggested reallocating the budget to add the promotion of gender equality and geographical redistribution.

371. The Chair commented that it sounded like a constructive suggestion. That meant that the numbers would need to change very slightly in a revised version, but would then reflect the request made earlier.

372. The Secretariat clarified that the total would remain the same. It would be a redistribution within the budget to put it on the line of the promotion of geographical diversity as well. The numbers there would not necessarily change.

373. The Chair noted that the numbers in the document would stay the same. The Secretariat would modify the budget behind those numbers. The Chair then read out the second paragraph of page 143, the resources for Program 23, and included some wording on the geographical diversity. "...The net increase in non-personnel resources is due to a combination of reduced costs as a result of insourcing medical services and additional resources for: (i) the promotion of gender equality" with an addition "and geographical diversity." The addition would be "and geographical diversity", semicolon, and the sentence would continue as it reads into organizational-wide training and staff wellbeing.

374. The Delegation of the UAE agreed to the suggestion by the Secretariat.

375. The Delegation of Indonesia reiterated that it wanted to see the reallocation of the budget for the equitable geographical representation. With regard to the wording, the Delegation preferred the wording of the bullet point 6 in the Implementation Strategy instead of geographical diversity.

376. The Delegation of the Russian Federation thanked the Secretariat for the clarifications presented and the detailed analysis. The Delegation questioned the reaction by the Secretariat to the Delegation's specific proposals on establishing a coordinator on issues of geographical representation similarly to what happened considering the focal point on gender issues that already existed in the Organization and the proposal to establish a

working group on that question. The Delegation thanked the Secretariat for the proposal to organize an information briefing on these various issues. The Delegation was in favor of implementing the decisions of the UNGA and the ICSC.

377. The Chair clarified that the information session would be on the WIPO Rewards and Recognition Program only.

378. The Delegation of Malaysia made a point of clarification for its earlier proposal to the Secretariat. When the proposal was made, it was on the understanding that resources were already channeled to work around geographical diversity and, hence, the Delegation wanted it to be better reflected in the resources. From the Secretariat's explanation, the Delegation understood that there was no specific portion that had been allocated to that. The Delegation requested clarification to its finding in the resources from the previous biennium for Program 23 that made reference only to additional resources for the promotion of gender mainstreaming.

379. The Delegation of Brazil, following up on what was suggested by the Delegation of Indonesia regarding the wording of the proposed amendment on page 143, suggested that it read, "the promotion of gender equality and the equitable geographical representation" as that would keep it consistent with the bullets on page 142, the sixth bullet, concerning the two objectives of human resource management.

380. The Chair noted that two delegations proposed a slight modification, which was the addition of an equitable geographical representation. The Chair then invited the Secretariat to respond to the questions from the Delegation of the Russian Federation on their two proposals of a coordinator and a new working group.

381. In response to the requests from the Delegation of the Russian Federation, the Secretariat mentioned that the Coordination Committee was the appropriate body to discuss the issue of geographical distribution and suggested that this request for follow-up would need to be dealt with by the Coordination Committee. Addressing the comments from the Delegation of Malaysia, the Secretariat explained that the strategies described everything that the Program was going to do. The biennial, a high-level plan, was approved and then was broken down at the level of annual work planning and individual activities, which were designed by Ms. Moussa for her Program in terms of how she would address the different aspects that were approved within that budget. It was reiterated that the resources for equitable geographical representation were included in the Program's resources and that there was no increase in that *vis-à-vis* 2018/19. However, that given there seemed to be a requirement or a request from the Member States to emphasize that, the Secretariat would work with HRMD to reallocate, within the Program, additional resources for the geographical representation.

382. The Chair ensured that the proposals from the Russian Federation would be noted in the minutes if that was something where members of the Coordination Committee might like to address that and willingness from the Secretariat to engage on that issue.

383. The Delegation of Indonesia noted that it was clear for the Delegation, when it raised the issue on the wording on page 143 under resources, that equitable geographical representations were always integral to Program 23 as well as gender balance. The Delegation mentioned that it noticed that in the last biennium, the increase was only on gender, and the 2020/21 biennium, the increase was only on gender. The Delegation wanted to see the increase of allocation for more equitable geographical representation. The Delegation was of the understanding that the Secretariat was correct, and all were on the same page at that point.

384. The Chair tried to find agreement on the specific wording suggestion on page 143. The Chair reiterated the suggestions by the delegations, which included the proposals by the Delegations of Brazil and Indonesia on resources for Program 23, and asked the delegations if the wording was acceptable.

385. The Delegation of the United States of America expressed concern about the wording because it was not aligned with the policy on geographical distribution. The Delegation did not see that terminology in the policy itself. The Delegation suggested saying something along the lines of geographical distribution instead would be more appropriate.

386. The Delegation of Canada, speaking on behalf of Group B, noted that on the proposal regarding language on geographical distribution and on some of the other proposals they had heard, Group B would probably coordinate and come back to this issue.

387. The Chair took the floor again to reiterate the suggestions by the delegations. The first was a suggestion of equitable geographical representation and of geographical distribution, but also the request from one group for further consultation amongst themselves. The Chair explained that there was potentially some support for including something there, but it felt it was more a question of wording for that, noting that that may in itself be going too far. The Chair proposed to park that issue and come back to it once the relevant groups had had a chance to discuss it further. The Chair then invited the Secretariat to respond to the questions on the organizational Rewards and Recognition Program.

388. The Secretariat explained that, on the other staff costs, they included an amount for litigation costs. However, with regard to settlements, there was no budget for that because they could not be planned or anticipated and that those came out of staff costs. Those settlements arose throughout the biennium and were accounted for under personnel costs, noting further that they were fully audited by the external auditor. The Secretariat concluded by stating that they came from the personnel expenditure budget of the Organization, since they could not be estimated beforehand and arose during the implementation of the program of work during the biennium.

389. The Chair thanked the Secretariat for the clarification and reopened the floor to discuss the two outstanding issues, namely the wording on page 143 around the increase of resources that related to geographical balance, equitable geographical representation; and the organizational rewards program.

390. The Delegation of Indonesia requested to put on the record that according to the brief discussion in that committee that happened earlier with regard to the wording on the more geographical representation, the Delegation expressed that that was still a problem within this Organization, noting that there was no agreement between the Member States with regard to whether or not an international organization such as that organization should work toward an equitable geographical representation of their own staff. The Delegation thanked the Secretariat for the explanation on the target of ERs IX.2 on page 143. The Delegation recalled that that was in Coordination Committee in 2016 and that there was no further discussion within Coordination Committee after that. If no agreement could be made with regard to more equitable geographical representation, the Delegation wanted to restart the discussion with the Member States in the Coordination Committee or PBC to finally put to rest the problem of a wording of a more equitable geographical representation.

391. The Chair informed the Delegation that it would be noted in the record of the meeting. The Chair suggested that the issue might be one for the Coordination Committee to consider in due course. The Chair opened the floor for additional comments.

392. The Delegation of India remarked that it shared the views expressed by the Delegation of Indonesia on the need for equitable and proportionate geographical representation in the organization.

393. The Chair asked the delegations if they were content, not just broadly content, with the Program aside from the two issues, one of which was discussed at length and needed further work. Those issues were the wording and the numbers in the budget for geographical work on geographical representation in the next biennium, and the organizational Rewards and Recognition Program. The Chair asked if there were other issues of concern. Otherwise, the provision for the organizational rewards and recognitions was included in other staff costs on page 145. In terms of the budget line where that was included, it was clear there were questions over the number that was included there. The Chair stressed the importance of clarifying where there was agreement on that Program. Turning to the Rewards and Recognition Program, there was willingness to work on both the side of members and the Secretariat in finding a solution to that issue. A suggestion supported by at least one Delegation for a discussion session would be helpful between the two sessions of the Program and Budget Committee. It would need to take place after the current week to give time to solve it between the two sessions. It could help guide the Secretariat and guide the discussion for what would be helpful to address in that discussion session. In order to make progress in the discussions, the Chair then summarized the questions by the delegations. One was around questions on policy. That was said with a certain amount of caution because the WIPO HR policy was for the Coordination Committee, not the PBC. It was noted that the work of the PBC and the Coordination Committee were intrinsically linked. The Chair acknowledged that Members had concerns over the provision made for this organizational reward. The Chair stated that he was not in a position to approve that without further clarification on the HR policy. The two could not be completely delinked. The Chair stated that at least one regional group noted the approach that was taken was also linked to the size of the provision. The second group of issues appeared to be around the constitutional type questions around the consistency, or not, of the proposal by the Secretariat with the various United Nations and ICSC decisions. The Chair sensed some potential disagreement on those that needed some further work. There was a helpful explanation by the Legal Counsel on the sovereignty of the Assemblies of the Member States of WIPO and the Unions administered by WIPO, and their interaction with bodies such as the United Nations General Assembly. The Chair noted that there was a clarification from the Legal Counsel that if Member States would like the IAOC to be involved, there was potentially the need to reopen the mandate of the IAOC. That was a statement from Legal Counsel and was something that may need further explanation. The Chair noted that the day before, in the session with the Director General, there had been a request for particular numbers around the proportion of staff that would be affected by that organizational scheme. That should be captured at the next session, if not, later in the current session. The Chair noted that at least one Delegation said that it was important. Before organization of that session, the Secretariat would need to ensure that all the necessary data would be considered properly. The Chair reiterated that there needed to be a session with the Secretariat, probably between the two sessions of the PBC. As there were no further requests for the floor, the Chair again summarized the discussions on the Program. There was agreement to Program 23 with the exception of two very important issues. The first was the organizational Rewards and Recognition Program, including other staff costs on page 145 of the draft proposal. On that, the Secretariat would take the next step of organizing a session with the Secretariat and interested Member States between the current and the next PBC meeting with the idea of making progress and, hopefully, reaching some form of landing zone for the July meeting of the Program and Budget Committee. Secondly, on the question of wording of page 143, on geographical representation, work was needed. The Chair encouraged those delegations and Regional Groups that needed more time to consult on that to do so. Subject to that, there might be time to return, the next day, to work on a solution to that particular question. The Chair then opened the floor for discussions on

Program 24, General Support Services. As there were no requests for the floor or comments, the Chair opened the floor for discussions on Program 25 (Information and Communication Technology). As there were no comments on Program 25, the Chair opened the floor for discussions on Program 26 (Internal Oversight).

394. The Delegation of the United States of America indicated that it had appreciated the work of the Internal Oversight Division and had noted that overall resources in the 2020/21 Program and Budget showed a decrease of 10.3 per cent compared to 2018/19. The Delegation indicated that it had wished more explanation as to the decrease noted.

395. The Secretariat thanked the distinguished Delegate from the United States of America for bringing that question. The Secretariat explained that the decrease in personnel resources was mainly due to the regularization of two posts, which had become effective, personnel resources, as well as some vacancies, which had been in the process of being filled up. Overall, the decrease was because of adjustments of those posts into regular functions.

396. The Delegation of the United States of America thanked the Secretariat for the explanation and wished to have clarification on the regularization of the positions, noting that, if those positions were gaining potentially to permanent positions, the Delegation thought it would be an increase in cost.

397. The Secretariat clarified further on the decrease in personnel resources and mentioned that, of the two temporary posts in investigations section, one was regularized and the other temporary post had been discontinued, for the 2020/21 budget. The Secretariat had assessed that, with the regularization of one post, the current workload could be managed. The Secretariat pointed out that, whenever there had been a need for additional personnel resources for investigations, the work was outsourced. The Secretariat also mentioned that since it could not predict the workload in investigations, it would use outsourcing if the workload increased. To that extent, the Secretariat thought the budget would be sufficient and could always fall back on the Controller's office to augment the resources, which had not been a problem thus far. The Secretariat continued its explanation and confirmed that there had not been a real decrease in the allocation of resources and that the post count had remained stable. In fact, there had been an increase in the non-personnel resources. As pointed out, it was the Secretariat's decision in terms of how it had resourced different areas as the workload had become clearer during the implementation of the Program of Work. There had been several instances where the Secretariat had come back for additional resources and those had been allocated as required throughout the biennium. The Secretariat indicated that on page 155, maybe that would clarify how WIPO operated. The approved budget for 2018/19 for Program 26, under non-personnel, was 700,000 Swiss francs, and the budget after transfers, the column adjacent to it, was 987,000 Swiss francs. There had been provision of additional 287,000 Swiss francs, to Program 26, based on need. The Secretariat confirmed that this was a dynamic process, the process of implementation and reallocation was a dynamic process, and had been very transparently provided to the Member States, in order to have a view of what exactly had happened during the biennium.

398. The Delegation of the United States of America thanked the Secretariat and appreciated the clarification.

399. As there were no further requests for the floor on Program 26, the Chair decided to start the discussion on Program 27, Conference and Language Services. Before the discussion started, the Chair had wished to pay a tribute to the interpreters and thanked

them for their patience, as he sometimes had spoken fairly fast.

400. The Delegation of Guatemala, on behalf of GRULAC, did not wish to miss the opportunity to recognize, congratulate and thank the Conference Services for its excellent job and effective support provided to the Member States, which had allowed them to work efficiently.

401. The Delegation of Iran (Islamic Republic of) was grateful for the work that had been done by the Conference and Language Services, noting that its contribution to the successful organization of meetings here at WIPO could not be overemphasized. The Delegation questioned the Secretariat on the decrease of 8.6 per cent of the budget of Program 27, which could affect its excellent work that it had done during the past biennium, and asked why that kind of reduction had been proposed for the budget of that Program.

402. The Delegation of Indonesia, on behalf of the ASPAC Group, emphasized that it had always valued the excellent work of the Conference and Language Services of the Organization. Without it, the ASPAC Group's engagement in the Organization would not have been as effective as at that moment. The Delegation reiterated the question that the Delegation of Iran (Islamic Republic of) had just asked that it would really appreciate if the Secretariat could elaborate more on why there was a significant decrease. The Delegation insisted on the fact that it would like to ensure that the work of the Conference and Language Services would be as effective as it had always been.

403. The Delegation of China took the opportunity to thank the organization for the high-quality Conference and Language Services, noting that it was because of that excellent work that the Delegation had been able to participate in the in-depth discussion of the Committee during this session. The Delegation expressed hope that, in the future, the Organization could continue that high quality of work.

404. The Delegation of Croatia commended the excellent work of the Conference and Language Services. Equally, like other colleagues, the Delegation mentioned that it would appreciate an explanation on the reduction of the budget.

405. The Delegation of the Russian Federation also thanked the Secretariat for its effective work in the conference and language services in WIPO. Like many others, the Delegation believed it was necessary to keep alive the best traditions of the highest possible quality of work done by that Department of the Secretariat. Of course, the Delegation noted progress in achieving the goals of the language policy. The Delegation posed a question in relation to principles of multilingualism, if they had already been set out. The Delegation informed that it was prepared to work further along those lines.

406. The Delegation of Lithuania supported the statement of the CEBS Group, and, in its national capacity, was happy to use that opportunity to thank the Conference Services and interpreters for their outstanding work. The Delegation questioned the reduction of personnel resources for that Program, asking if more use of artificial intelligence would be used and what was the reasoning behind that. The Delegation was also pleased to see among implementation strategies, the line on maintaining cost-efficient mailing services. The Delegation wished to draw attention to the fact that sometimes mailings arrived in Geneva very late, and sometimes after the meeting was convened. The Delegation pointed out that it understood that there was a big workload of mails and documents to send out, and asked if WIPO was contemplating the possibility of sending electronically, especially if that was an urgent call for a meeting.

407. The Secretariat responded with general remarks and thanked all those delegations for their words of appreciation. On the issue of the decrease, the Secretariat reminded the Member States about the discussion on Program 21, in the morning session, during which many Member States had expressed appreciation of the creation of the Protocol and Events Management Unit. The Secretariat explained that this new unit had been bolstered by the transfer of one of the units from Program 27, namely the messenger and driver service, which was why there had been a significant decrease in the staff cost component in that particular area. The Secretariat also indicated that that explanation was clearly marked and included on page 157. The Secretariat continued on the question on the use of artificial intelligence when it came to language services. Regarding the question on the mailing services, the Secretariat indicated it would let the Director of the Conference and General Services to answer. The Secretariat reminded the delegations that the Director General had spoken a lot about multilingualism earlier at this PBC Session. In response to what was mentioned by the Delegate from the Russian Federation, the Secretariat informed that it had attached great importance to multilingualism, as demonstrated by the successful implementation of the latest Language Policy which had put all the six United Nations languages on the same footing. The Secretariat wished to report that, by the end of 2017, WIPO had made documentation available in all six languages for all the meetings, which concerned the main bodies; such as the Assemblies, the Coordination Committee and others, and also the Standing Committees as well as working groups. The Secretariat confirmed that, for all these meetings, both translation and interpretation services had been provided in those six languages. The Secretariat recalled that with regard to translation publications and website content, a lot of efforts had been put in, but would perhaps need to be further enhanced. The Secretariat reverted to the question by the distinguished Delegate from Lithuania, and responded that WIPO had benefitted a lot from the latest translation technology, including artificial intelligence. The Secretariat recalled that WIPO had developed a machine translation tool called "WIPO Translate", which had been initially intended for PATENTSCOPE, but later used by all the translation services. The Secretariat wished to mention that while it had used this machine translation tool in its translation work, it was important to note that machine translation had helped translators, but could not replace them. In a way, machine translation could facilitate the translation process, but could not, at least for WIPO's meeting documents, do the work of human translators. In fact, it had been based on the translation memory built by human translators. The Secretariat further observed that machine translated texts would need human translators behind to do the quality control or revision before they became publishable, and such quality-controlled translations would, in turn, be fed into the translation memory to ensure high quality. The Secretariat concluded that, on that point, WIPO had benefitted a lot from the latest achievements of the modern translation technologies, and that, future breakthroughs in artificial intelligence would surely allow WIPO to do more on this front. The Secretariat pointed out that WIPO had been working together with the United Nations, the European Union and other organizations in this regard. Regarding the question on the mailing services, the Secretariat indicated the Director of Conference and General Services Division would respond. The Secretariat thanked the Member States for all the very appreciative comments with regard to WIPO's conference and general services. Such appreciation made a big difference to the job satisfaction of the colleagues concerned. The Secretariat took serious note of the question raised by the Delegation of Lithuania about late mailings and would follow up directly with the delegation to look into the specific examples. The Mail Services Unit currently handled about a million items of mail a year, of which a relatively small proportion was conference-related mailings; 91 percent was PCT and Madrid-related mailings. The drive towards maximizing the use of electronic as opposed to paper mailing continued to be a priority and had a direct impact on resource needs. WIPO had been working closely with the PCT and Madrid colleagues on that side. On conference mailing specifically, the Secretariat confirmed that it was already the case that all conference-related communications were sent both electronically as well as in paper copy. As mentioned, the

Secretariat would follow up on those specific examples to make sure that delegations were not getting late mail.

408. The Delegation of the United States of America wished to add its voice to the compliments of the Conference and Language Services for doing an outstanding job. The Delegation asked a question on the Director General's forward, romanito vi, on page 6, where it said, notably, "we will introduce a new conference platform to make the publication and recording of meetings more efficient and more accessible to a broader audience." The Delegation requested the Secretariat to give a quick overview of what it had in mind there.

409. The Delegation of Indonesia thanked the Secretariat for the explanation to its question previously asked with regard to the decrease in the proposed Program and Budget for 2020/21. The Delegation was happy to note that, if its understanding was correct, that there would be no reduction of cost and associated personnel resources that did not have anything to do with messengers and drivers, and in Conference Services, there would be no reduction of cost and associated personnel resources.

410. The Secretariat confirmed to the Delegation of Indonesia that, yes, that was, in fact, the case. However, WIPO had been continuously searching for efficiencies. In that light, during a biennium, there may be redeployment of posts or delegations may find, as found in the previous Program, a different mix between staff and non-staff contracts in order to get WIPO's work done. The Secretariat confirmed that the latter was an internal matter it could take up itself. Largely speaking, the Secretariat pointed out that the posts were all the messenger and driver posts related to Program 21. The Secretariat continued and thanked the Delegation of the United States of America for the question on the conference management platform. The Secretariat referred to the implementation strategies under Program 27 where there were a number of references to enhancing the efficiency of WIPO's conference management through an integrated conference services platform. The Secretariat specified that this would cover a range of conference-related functions, including, for example, automating internal workflows which currently involved a lot of manual work. It would include an upgraded online registration system for Delegates. It would include better management of Delegate contact data, which would in turn help increase efficiency in mailings. It would also include more user-friendly external-facing conference-related interfaces. The Secretariat explained that this was a big project with many elements to it, which was ongoing and would go on throughout the next biennium. Before closing the discussion on Program 27, the Secretariat wished to make a brief comment. The Secretariat came back to discussions held the day before on Program 19 and its indicators related to language coverage, confirming that those had been all interlinked between and cross-cutting across a number of programs. The Secretariat also mentioned that there might be an impact in the indicators based on how discussions progressed on the budgetary aspect. The Secretariat confirmed that, as the Chair had summarized the day before, based on the points, which had been raised by several delegations on language coverage, there had been an ongoing informal discussion among the interested delegations, as the Chair had pointed out. It would seem Program 19 had an interdependency on Program 27. The Secretariat suggested to, as far as the budget was concerned, to park the budget for the Program for the time being, until the issue in Program 19 was resolved.

411. The Chair asked the delegations if they had additional questions. The Chair suggested to take note that that if there were an interlinkage between Program 19 and Program 27, the discussion could continue on Program 27, subject to any discussion on Program 19.

412. The Chair re-opened Program 28, Information Assurance, Safety and Security, indicating that there may have been a number of other issues also, but there was certainly

the issue of the digital timestamp service, to be addressed. The Chair wished to open the floor to gather questions that had not so far been raised. He indicated that he was conscious that it was one of the more complicated Programs and suggested that the presentation be about ten minutes, after which the Committee would pause for lunch and then resume the following day. This would give the Committee a chance to digest and hear about the digital timestamp service and enable delegations to raise questions and comments the following day.

413. The Secretariat referred to the opening remarks of the Director-General in which he stated that the proposed WIPO digital timestamp service would be introduced, if agreed, as one of the new services of WIPO for the next biennium. This was in response to the digital transformation of WIPO's services and operations, but also in response to the demand stemming from innovative and creative activities worldwide, which were increasing. Therefore, the Secretariat had provisionally looked at the demand from the market for providing digital timestamp services, which actually required a high level of expertise and technical requirements in respect of setting up the required IT system. The Secretariat had also looked at the most suitable Program for this purpose and had agreed on Program 28, which was responsible for security and information assurance.

414. The Secretariat indicated that in its brief presentation, it would start by giving some context and background and briefly explain what digital timestamping meant. The Secretariat would also discuss why WIPO was best placed to provide this service, and talk about a few potential use cases and the technologies used to support the service. Finally, the presentation would touch upon resource requirements and timelines for the initiative. The Secretariat noted that, as the Director-General had indicated in his opening remarks, WIPO was continually responding to the rapid changes in the digital economy. ICT had not only enabled the global nature of WIPO's services but had also transformed the internal operations of WIPO. WIPO needed to maintain its competitiveness, its attractiveness and the security of its operations and this was why the ICT systems and tools were an integral part of the Development Agenda and capacity building in order to enhance the sharing of knowledge and technology with Member States. The Secretariat continued by stating that an important aspect of digital transformation was the effective management of data in the digital economy. When this was applied to the field of IP, it meant providing innovation actors with the right tools and mechanisms to manage their own digital data as it related to innovation. Therefore, digital timestamping was one of the very many possible services that WIPO could provide in support of innovation and creative activities. The Secretariat noted that digital timestamping may have seemed like a very jargon-heavy concept, but it would clarify and simplify it for the Committee. The Secretariat explained that digital timestamping was an electronic signed certifications that proved the existence of a digital file at a specific point in time. This could also be thought of as a digital notary. The Secretariat provided the analogue of physical notaries - people took a legal document or agreement to a physical notary to get it notarized. The result of this was a seal on the document, a signature and a date stamp. Digital timestamping was the digital version of a physical notary. The Secretariat pointed out that physical notaries could make mistakes, signatures could be forged, or paper trails could be modified after the notarization process. This would not be possible with the digital timestamping process. Not even WIPO, the entity that would generate the timestamps, would be able to modify the timestamps with this digital process, nor could any fake timestamps be generated because of the underlying secure technology that would be used. Therefore, trusted timestamping meant that WIPO would be able, with a very high level of confidence, to say that the date and time on the timestamp was accurate and could not be tampered with. The authority that would provide the timestamping service or generate the timestamp was called the TSA or the timestamping authority. Because of the robust and secure technology and processes being used, the TSA would provide a solid unalterable evidence of the existence and integrity of an innovator's or a creator's original work when applied to the field of IP. The certification in this case would mean the digital

certificate or digital token that would be provided to the users of the service. Therefore, WIPO's proposal was to become a timestamping authority and a provider of online digital timestamping services to innovators and other actors for the promotion of innovation and creativity. WIPO would provide the service for a nominal fee, and based on initial calculations and assumptions, it was believed that WIPO would be able to recover its initial investment within a reasonable timeframe. As a timestamping authority, WIPO would be issuing a certificate of existence or possession of the digital file. At no point in time would WIPO receive or store the original file nor would it have any information on the content of the original file. An obvious question that could be asked was: "If WIPO was certifying the existence of a file at a particular point in time, how could it do so without receiving the original file in question?" This would be done by using a hashing function. WIPO would pass the original file through a cryptographic algorithm, which would as a result give an unrecognizable string of bits or characters that uniquely recognized or identified the original file. The hashing function that resulted in a hash was a one way hash, which meant that it would be impossible for WIPO to reverse engineer or recover the original content of the file from the hash itself. In essence, WIPO would not be storing a registry of the original works. It would only be storing a registry of the hashes of the original work. Additionally, WIPO would not assert or attribute the ownership of the original work or assign any kind of IP rights. It would only prove the existence or possession of a digital file or original work of a certain user at a specific point in time. Therefore, the opportunity for fraud could not arise with the WIPO digital timestamping service. A legitimate question to ask would be why WIPO was best placed to provide this service. Remaining very true to its mandate to promote innovation and creativity for the benefit of all, WIPO could assist innovators and creators globally in coping with their own digital transformation by providing them with data management techniques and tools to manage their own innovation-related data. The service would complement WIPO's existing global IP services and it would not compete with them as existing services were governed by a Treaty that resulted in protection, whereas the timestamping service would allow innovation actors to prove the possession or the existence of an original work at a specific point in time. The user could take this certification, that WIPO provided, to a court of law or a judicial process or a dispute resolution process in order to prove the ownership of their file, but WIPO would not be involved in that process. WIPO was also aware that there were a number of timestamping services in the market mostly catering to the developed world. WIPO could provide a service that was more inclusive to potential users in countries where digital timestamping services did not exist or were not available. WIPO had vast experience and was uniquely positioned to provide the trusted capability and expertise to provide global IP services that were robust, secure and world-class. WIPO believed that it could leverage this capability to assist innovators and creators in managing their own digital works with the use of the timestamping service. WIPO had also conducted an initial market research, and hired an external independent consultancy firm to conduct a market survey of the digital timestamping market across the public and private sectors. The conclusion of the study was that the availability of an official government-sponsored general-purpose timestamping service was limited and was not available in most countries. It also concluded that the existence of an internationally recognized timestamping authority was a significant gap and recommended that WIPO-sponsored timestamping service would provide value and would be able to fill this gap. It also evaluated a number of business models and recommended, finally, that WIPO should run its own timestamping service. The technical feasibility of running the service had also been evaluated and confirmed, as long as the WIPO timestamping infrastructure, the back-end technology, would comply with accepted international standards that were required to operate as a timestamping authority. There were a number of target use cases that could potentially use the timestamping service. The Secretariat listed a few of them. The owners of trade secrets could easily timestamp their trade secrets, along with other undisclosed files, source codes, research data, scientific notes etc. Users of existing WIPO global IP services, the PCT, Madrid and the Hague, could also use the service for management of preparatory works

before the IP filing. The service could be positioned as an intermediate step in the innovation actor's journey to seek final protection of the IP leading to the final IP application. Other actors could use the timestamping service for management of IP-related legal documents such as for example licenses and non-disclosure agreements. The method or the process to create a timestamp had heavily been documented in international standards and laws. So the process to create a timestamp was not something new, nor would WIPO invent it. The digital timestamp was defined as a part of a technology called digital signatures, or public key infrastructure, which had been in existence for over two decades. WIPO would simply be using this accepted standard and then adding an independent external audit and certified hardware to create a web based security service that could be highly trusted to ensure confidentiality, integrity and the authenticity of the certification that WIPO would provide. In order to do so and operate as a timestamping authority, WIPO would have to meet international standards such as the RFC3161 and be independently audited by an external party to ensure compliance before the launch of the service. Without going into too much detail in the mechanics of the service, the Secretariat wished to walk the Committee through the various streams of providing the service. There were three major components, especially from a user experience point of view. The Secretariat suggested that the Committee should imagine a user who wanted to secure a digital timestamp, and would access a secure WIPO website where they would register themselves and authenticate to the service. The users of existing global IP services, the PCT, Madrid and the Hague, would not have to re-authenticate or recreate their log ins. They would seamlessly be able to access the service. Once a user was registered or authenticated, they would then select the file or several files for which they would require a timestamp. This was when they would pay the Organization a nominal fee to secure the timestamp. In 80 to 90 percent of the cases, a user's journey with the timestamping service would end there. In about 10 to 15 percent of the cases, the user or a third-party could come back to the WIPO service to verify the timestamp to prove the existence of a file at a particular point in time. This could be as part of a dispute resolution process or a judicial process. The time difference between step two and step three could be two, three, four, five years after the timestamp had been generated. The verification process would be provided to the users of the service free of cost, whereas the creation of the timestamp would be for a nominal fee. Initial investment for the pilot project of the WIPO digital timestamp service in the next biennium had been estimated at approximately 1.3 million Swiss francs, including both personnel and non-personnel costs. The Secretariat was aiming to establish the business and technical infrastructure in 2020 for the initial launch of the service. Based on the calculations of the initial investments, the Secretariat had analyzed several scenarios - conservative, modest and aggressive scenarios - and believed that the investment could be recovered within a timeframe of two to five years from the launch of the service. The Secretariat noted that additional information could be found in the Q&A on the WIPO PBC website.

415. The Chair hoped that the Secretariat's presentation would help enrich the conversation the following day and that those delegations with detailed technical questions could consult with their technical experts overnight. The Chair further invited delegations with detailed technical questions to consult informally with the Secretariat after the session, particularly if there were real technical clarifications that needed more work that afternoon. He noted that the slides would be circulated after the conclusion of the session for sharing with the technical experts in capital, as appropriate. The Chair then recalled that some of the outstanding issues included the issue of wording around geographical balance in Program 23 on page 143. There had also been discussions around the language indicator, and the Chair recalled that one Delegation was particularly interested in new language indicators under Program 19. In addition, there had been a discussion under Program 7 around the work of ICANN, the interlinkage between the work of WIPO and the work of ICANN and the discussion on whether or not "trademarks" should be replaced by "intellectual property". The Chair recalled that at least two delegations had been interested in that. Also, a point had been raised by the Delegation of Italy regarding the indicators related to Lisbon in Programs

9 and 20. The Chair recalled that as always, these issues could be discussed in plenary and he would revert to them the next day, but his strong plea to delegations, and particularly the proponents of changes, was to use the afternoon to work with the Secretariat to come up with very clear suggestions on what was being proposed, and then proceed with informal consultations among interested delegations. The Chair indicated that, the next day, he would first reopen the discussion on Program 28. Then he would turn to Annex III - allocation of income and expenditure by Unions after which he envisaged to do a full run-through of the outstanding issues to see if further progress could be made during the week to resolve them. The aim for this first session of the PBC was to look at the proposed budget and record agreement on what could be agreed. The Chair would present delegates with a draft decision that would summarize the work done during the week, indicating where agreement had been reached, and a list of the outstanding issues needed to be resolved before the July meeting.

416. The Chair reopened Agenda Item 6, the Draft Proposed Program and Budget for the biennium 2020/21. Before proceeding with the review of Program 28 under Strategic Goal 9, the Chair recalled that this was the last Program to be reviewed. The Chair wished to take the opportunity to summarize the changes agreed the previous day under Strategic Goal 9. Starting with Program 21, the Chair recalled the agreed change on page 130 in the English language version regarding the resources under the UN Joint Services cost category which should reflect 80,000 Swiss francs in line with the approved budget for 2018/19. In Programs 22, 24, 25 and 26, there were no changes. In Program 27, there were no changes, but the Secretariat had indicated that the conclusions on the performance indicators in Program 19, Communications (one of the open issues), could have an impact on the Budget of Program 27. The Chair recalled that Program 19 dealt with Communications and there was a request by more than one delegation to change the performance indicator around the number of publications in all six official languages. The Chair noted that in case the indicators were changed, the Secretariat had advised that they might need to go back to the budget of Program 27, which was Conference and Language Services, in order to facilitate that. Five items remained outstanding from the overall program review of Strategic Goal by Strategic Goal so far, and the Chair wished to summarize those, after which he would open the floor and ask for updates from those delegations that were interested in these issues. The first outstanding issue was related to the implementation strategies in Program 7, i.e. the implementation strategy related to the work of ICANN. Secondly, the performance indicator related to the expansion of geographical coverage of the Lisbon System in Programs 9 and 20. Thirdly, the performance indicator related to the translation of WIPO publications into all official languages in Program 19. Fourthly, in Program 23, the implementation strategies and the resource explanation related to geographical diversity. And then finally, also in Program 23, the Organizational Rewards and Recognition Program that was included under other staff costs. The Chair summarized that these were the five outstanding issues, and noted that following these the last program as well as the annexes would be reviewed. The Chair then opened the floor to delegations on those five outstanding points.

417. The Delegation of Brazil recalled that there had been a small proposed amendment in Program 7 concerning the WIPO Arbitration Mediation Center and noted that the Delegation had had some very fruitful, informal discussions with other interested delegations. Delegations had noted that aspects of the protection mechanism in domain name systems were being discussed at the SCT. This was a subject with a long history in WIPO, starting from the first WIPO internet domain name process, which had resulted in the uniform domain name dispute resolution policy. Later on there had been a second WIPO internet domain name process concerning a range of identifiers, other than trademarks, that examined bad faith and misleading registration use of data. The Delegation considered this to be a very important topic to be discussed in the Organization. This was being discussed at the SCT, but regarding the activities of the WIPO Arbitration Mediation Center, the Delegation could be

flexible and was able to join the consensus on the original language proposed on page 60 of the English version.

418. The Delegation of Italy wished to explain the reason for their proposal, which referred to Programs 9 and 20. The Delegation was of the view that the geographical dimension was important, because one of the aims was to increase participation from developing countries and least developed countries in the Lisbon System. For reasons of transparency, i.e. to better understand what would be the impact of the activities carried out under Programs 9 and 20 without any change in what was already foreseen in terms of human or non-personnel resources, the Delegation considered that having a performance indicator that was explicitly mentioning the number of countries in those regions that were joining the system was needed. This would be to help the membership to be fully aware of what would already be included under Program 32, where there was already an indicator regarding the geographical dimension. However, that indicator was just the total number. What the Delegation was requesting was that the specific geographical areas should be highlighted in those cases where a Program was concentrating its work in those regions. The Delegation could, however, show flexibility on this. The Delegation stressed that there would be no impact on the financial aspects nor on human resources. It was just for consistency and transparency because it was foreseen for the other unions, such as Madrid and the Hague, where the Delegation found it very useful to have an easy parameter to understand what was the geographical changes would be over time. The Chair thanked the delegation for its intervention, its statement, and its explanation, and, as Chair, indicated that he was very grateful for the delegation's offer of flexibility. With that he put that to other interested delegations, asking whether they were also willing to be flexible and leave the performance indicators under 9 and 20 as they stood at the moment, and again thanked the delegation of Italy for its constructive engagement with other interested delegations overnight.

419. The Chair thanked the Delegation for its flexibility and asked whether other interested delegations would also be willing to show flexibility and leave the performance indicators under Programs 9 and 20 as originally proposed.

420. The Delegation of Croatia, on behalf of the CEBS Group, stated that in relation to Program 23, it considered the geographical distribution of staff to be a very important issue. The Group appreciated the efforts of the Secretariat in improving geographical distribution in accordance with the agreed principles, and were very grateful to the Secretariat for its efforts undertaken on the focal point initiative within the underrepresented regions and underrepresented countries.

421. The Delegation of Canada thanked the Delegation of Brazil for its willingness to work with Canada in relation to the wording of the implementation strategy under Program 7. The Delegation understood that fruitful discussions were ongoing at the SCT on the issue therefore supported maintaining the implementation strategy as originally drafted under Program 7.

422. The Delegation of Switzerland thanked the Delegations of Brazil and Canada for the discussions pertaining to Program 7, which was of interest to the Delegation as well, and it looked forward to follow up the discussions on this in the SCT. Regarding Programs 9 and 20, the Delegation supported the proposal made by the Delegation of Italy to add an indicator related to the number of Member States acceding to the Geneva Act of the Lisbon Agreement. Such an indicator would make sense because the Secretariat's performance could be measured. Also, one of the issues that delegations were concerned about was related to the income that the systems would be able to generate.

423. The Delegation of the United States of America thanked the Delegation of Brazil for their flexibility on Program 7. The Delegation was of the opinion that the issue should be

taken up in another committee at WIPO. Shifting to Programs 9 and 20, the Delegation appreciated the Delegation of Italy's flexibility. Regarding the comments made by the Delegation of Switzerland, the Delegation noted that if it was a matter of measuring what the Secretariat was doing to expand the Lisbon membership, then that would be different to what the Delegation of Italy has requested in terms of transparency. The transparency issue was already covered in Program 32. Therefore, if delegations wanted to see what the Secretariat was doing to expand membership, that was already covered and there would be no need for duplication. The Delegation noted that it was interested in taking a closer look at this to see what kind of implications it would have for Programs 9 and 20 financially and otherwise.

424. The Delegation of Iran (Islamic Republic of) stated that with regard to Programs 9 and 20, it shared the views by the Delegations of Switzerland and Italy on the importance of having such an indicator in Program 9 both for transparency purposes and for equal treatment of all unions. It was not an indicator which would lead to any changes in budget, however, it was a very important indicator and it would be better to reflect it in Program 9. The Delegation noted that it was flexible if the Secretariat believed that it was better to keep it as currently proposed. If there was a consensus, however, to add it in Program 9, the Delegation would support it.

425. The Chair thanked the Delegation of Iran (Islamic Republic of) for its flexibility. The Chair noted that so far there was no consensus on the issue and that two delegations had indicated flexibility.

426. The Delegation of the Russian Federation thanked the Secretariat for the continued work on the issue of increasing the number of official publications of WIPO in all official languages which had been raised by a number of delegations. It reported that interested delegations had received from the Secretariat statistical information with regard to the current situation of translating official WIPO publications. The Delegation requested additional time in order to analyze the data that had been provided.

427. The Delegation of Uganda appreciated the efforts of the Human Resource Management Division in their efforts to achieve optimal geographical and gender balance in the Organization. The Delegation noted that there had been great improvement in the last 10 years, but more needed to be done. The Delegation therefore welcomed the positive ambition of the Organization reflected in the implementation strategy bullet number six for Program 23, page 140 of the English version. In addition to the ongoing efforts, including awareness raising through focal points in unrepresented Member States, both gender balance and geographical representation remained systematic challenges and should be given equal prominence, so that corrective measures that were intended to improve both geographical and gender equality could be applied to both equally. In that regard, the Delegation supported the proposal made by the Delegations of Indonesia, Brazil, and other Member States to amend the resources explanations for Program 23 by including a reference to geographical distribution on page 143 of the English version.

428. The Delegation of Canada, on behalf of Group B, stated that progress had been made on some of the outstanding issues. Regarding the indicator in Program 19 related to the translation of documents, it stated that Group B needed time for consultations. On geographical diversity, the Delegation needed to close the loop with one fellow regional coordinator. As soon as that could be done, the Group would relay the results of that discussion. The issue of rewards also remained outstanding and would have to be considered in July.

429. The Chair thanked the delegations for their constructive engagement, including on finding a solution to the wording in Program 23 on page 143 regarding geographical distribution, and noted the Delegation of Uganda's support in this regard. On the translation

into official languages, the Chair noted that more time was needed and reiterated the interlinkages between Programs 19 and 27. This was in fact a general point to be applied across the budget. If a performance indicator was changed marginally by a minimum amount, the Secretariat might be able to do that within the existing budget. If a performance indicator was changed substantially, additional budget might be needed to achieve the target of the performance indicator. The Chair also noted that the issue was linked to the language policy more generally and a potential updating of the existing language policy.

430. The Delegation of China thanked the Secretariat for its work concerning expanding the official languages of the UN in the Organization, especially in regard the translation of publications. Concerning the indicator, the Delegation wanted to discuss further with interested delegations.

431. The Chair stated that there were currently only four outstanding issues left. Regarding the Lisbon indicators in Programs 9 and 20 and the language related to geographical diversity in Program 23, there had been some very positive interventions and willingness to show flexibility and find solutions. The Chair urged the delegations interested in those topics to continue consultations, including with the Chair. The Chair then stated that the two remaining points potentially were a little bit more complex concerning the translation of WIPO publications into official languages and the rewards of the recognition program. One delegation had suggested that more time was needed on that issue and that it would make sense to leave it until July. The Chair then reminded delegations that the current PBC was the first of two meetings to discuss the proposed biannual budget and that it was important to crystallize the outcome of the discussions on this agenda item during the week in the form of a decision. This was as per the process established during at least the last two biennia. The Chair noted that he would request the Secretariat to circulate, under his own authority, a draft decision at lunchtime in the interest of being as transparent as possible so that delegations would see what that decision would look like. That draft decision would reflect the Chair's updates to plenary on the outstanding items. In order to be absolutely transparent, and to ensure that delegations would have a chance to engage, the draft decision would be circulated on the basis of where the discussions had reached by lunchtime. The Chair then turned the discussion to Program 28. The previous day, delegations had heard a presentation on the WIPO Digital Time Stamping Service which had been uploaded to the website. The Chair then reopened the floor on Program 28.

432. The Delegation of China thanked the Secretariat for the presentation on the Digital Time Stamping Service and requested a clarification as to whether additional human resources would be needed above the one million Swiss Francs cost estimate. The Delegation also noted that this service could help the use of the Global IP Systems and facilitate their use by the users. The Delegation also enquired whether WIPO had made any in depth analysis about the advantages or the potential disadvantages of the service.

433. The Delegation of the United States of America thanked the Secretariat for the explanations. The Delegation noted that the previous day it had been mentioned that there would be a nominal fee at least for the initial time stamping, but there would not be a fee for verification post receipt. The Delegation requested the Secretariat to clarify that fee. As far as the private sector players were concerned, the Delegation requested clarification as to what type of fraudulent activities the Secretariat had come across and how the Secretariat would be preventing fraud from taking place. The Delegation, having noted that the projections for use of the service indicated that it would pay for itself within two to five years, requested the Secretariat for additional information regarding the projected use within that timeframe and beyond.

434. The Delegation of Singapore commended the Secretariat for piloting the Digital Time Stamping services. The Delegation was of the view that the Digital Time Stamping services

would be beneficial for the innovative and creative community. This service would provide a trusted source for the community to manage their creative content, providing some degree of certainty to the moment of creation. Regarding the digital file, the Delegation asked if there were limitations to the type and size of the file as a work of video-graphic nature could be much larger than a textual file. The Delegation also asked if the changes in the metadata of the file would affect the veracity and engage with the hash key and the time stamp. The Delegation inquired whether significant changes would be required and whether it would affect the hash key.

435. The Delegation of Switzerland welcomed WIPO's efforts with regard to information security and physical safety and security and for exploring a new generation of information security tools within a context of rapid development of risks. The Delegation believed that it was important for the Organization to have particular emphasis on information security in this context. As regards the new proposed time stamping initiative, the Delegation thanked the Secretariat for the information provided. The Delegation stated that, in principle, it found the idea very interesting and saw a potential application of such a service particularly in the area of trademarks, where a service of this type could be very useful to record the use of a specific trademark on a specific website on a certain date. In the area of patents, such a service could perhaps be useful to determine the state of art, and particularly the date of publication online of information pertinent to the subject. With regard to copyright, the Delegation also saw potential. As indicated under Question 8 in the Q&A, it seemed very important to manage user expectations in order to ensure that the users would understand that the service would not constitute protection and that it would only be an element of proof of existence of certain data in the case of litigation. The Delegation noted that there was a question of the recognition of such a service in national legislation and jurisdictions. In Switzerland, only recognized providers could provide such a service, but the possibility for providing such a service existed under Swiss law. To become a recognized service provider required certification, and that certification had to be renewed at certain time intervals in order to ensure that it remained valid. Therefore, for the WIPO time stamping service to be recognized in national legislation and jurisdictions, it would require ongoing monitoring in addition to the initial audit. With regard to fraud risks, the Delegation stated that it was not possible to falsify the time stamp itself, however, the Delegation requested further information as to how it could be ensured that it was not used for another document created or modified after the date of the time stamping certification. In other words, how would it be possible to ensure that the link between the digital time stamp and the original document could not be fraudulent, especially since WIPO was not going to be keeping a record of the initial document. With regard to standards, the Delegation had understood that WIPO would be opting for the IETF RFC3161 standard. The Delegation enquired about the motives behind that choice because there were different standards established in different countries. For instance, in Switzerland, an EDC standard applied. Furthermore, the study conducted by the Secretariat had found a demand for a time stamping service. The Delegation requested further information regarding the IP areas in which the demand had been ascertained, and in which IP area the Secretariat had planned to focus as a priority for the implementation of the proposed service.

436. The Delegation of Uganda, speaking on behalf of the African Group, welcomed the Secretariat's initiatives in the areas of information security and safety and security of personnel. Regarding the risks and mitigation actions in Program 28, on page 160, paragraph 2, of the English version, the Group proposed the inclusion of "delegates and visitors" after "WIPO personnel".

437. The Chair noted the proposal made by the African Group and gave the floor to the Secretariat to address the questions.

438. The Secretariat thanked the delegations for their strong interest in the WIPO Digital Time Stamping Services. As regards the questions from the Delegation of China, the Secretariat acknowledged that the Digital Time Stamping Service was indeed very useful for the global players in innovation and for the stakeholders of creative activities as mentioned in the presentation the previous day. The strengths, weaknesses, opportunities and threats analysis had been conducted jointly with the independent external consultants and the Secretariat had identified many advantages for WIPO to provide such a service. There was a gap in the market. In other words, there were many countries where commercial or public digital time stamping services were not available and this gap could be filled by WIPO, in particular, by catering to the needs of the stakeholders of innovation and creative activities. In addition, the services would be comprehensive in terms of geographical coverage, i.e. would provide a global Digital Time Stamping Service. The second advantage of the WIPO Digital Time Stamping Service was linked to the Secretariat's accumulation of a very solid and strong knowledge and expertise in dealing with confidential or secured data. The Secretariat stated that there was no need to remind delegations that 250,000 unpublished PCT applications was received by the IB every year. In this context, the Secretariat was dealing with the undisclosed information for several months and still experienced an annual growth in PCT international applications of over four percent. That demonstrated the very high degree of trust given to the Secretariat from industry and innovation stakeholders for the handling of undisclosed information. The Secretariat stated that it would be able to take advantage of this trust by the innovation stakeholders from around the world in providing this new service that would require a very high level of security and data integrity. The Secretariat had already received the trust of a large majority of the major players in innovation throughout the world through its constant interaction with PCT applicants and applicants under the Madrid Protocol and the Hague Agreement. Users of the WIPO Arbitration and Mediation Center were also involved in innovation and creative activities. The Secretariat knew those users and would establish identification management. The Secretariat had indeed established a very high level of standard to identify the players and applicants for the WIPO IP Global Protection Services. That knowledge, experience and bond between the IB and applicants and users of WIPO services would be able to provide a solid foundation for enhancing the degree of trust. The Secretariat would be able to take advantage of the trust already established through the usage of the Global Protection Services and that would positively add to the impact of the ICT system which would be used for providing the digital time stamping services. Those were the overall advantages, and the Secretariat already had a very good reputation and worldwide outreach in relation to innovation and IP services that it was providing. It would be easier for WIPO to reach out to those potential users and provide additional training, education, and building awareness about the significant role that Digital Time Stamping Services could play. In some countries, and many stakeholders in those countries, were not yet aware of the importance of a digital certificate or of the digital notary services, but this should come in the near future when innovation would increasingly be driven by big data and activities in the digital environment. Turning to the possible threats, the Secretariat obviously had to deal with sensitive matters and security was required at the highest possible level. On policy and administrative aspects, since this was a new service, work had to be done from scratch. The work would include marketing and awareness building. This had been identified as both a threat and a challenge. However, capitalizing on the work of the Organization in relation to the provision of Global IP Protection Services, WIPO was in a better position to overcome these challenges. It could be argued that as possible disadvantages, WIPO had competitors in the market already, and many companies and a few IP Offices were already providing digital timestamping services. The Secretariat would not be competing with those players. They were focusing essentially on the national or sub-regional or regional markets. With the WIPO Digital Timestamp Service, the Secretariat would add one more option to users interested in a global service, which was likely to be accepted by the largest number of jurisdictions and countries. This was in response to a point raised by the Delegation of Switzerland. Turning

to the questions raised by the Delegation of the United States of America, the Secretariat explained that it had undertaken a preliminary market survey covering a wide range of different types of services provided by the private sector ranging from a mere electronic signature to Digital Time Stamp Services. Regarding the projection of possible use of those services, the Secretariat noted that the pilot project had just started and, therefore, it did not yet have a complete projection of use. However, the market survey would be updated once a final decision had been taken as to what variety of services would be offered and the associated fee structure. The Secretariat noted that this presented a kind of a trade-off situation. When a larger audience of possible users was targeted, the fees had to be lowered and vice-versa, which constituted a complex calculation. The Secretariat had a rough idea of the magnitude of the number of users. In response to the intervention by the Delegation of Singapore, the Secretariat noted that it saw benefits for the users of this service, not only for use in the context of textual documents but also for other types of documents, or a combination of types. The match between the hash and the digital certificate, the digital time stamping certificate, was perfect. Any one character change in the original file would affect the hash which would be created from the original file. That was a technical question that had been already addressed by the technical analysis of the existing technology. The Secretariat then turned to the points raised by the Delegation of Switzerland. On use cases, the Secretariat confirmed that the services were indeed crosscutting and agreed with the Delegation of Switzerland that possible use cases could be in the areas of trademarks, patents and copyright. Actual use would be determined by the users of the future Digital Time Stamping Services and their decisions on whether the WIPO service would be particularly useful as compared to other services available in the market. The users of the PCT, Madrid and the Hague Systems, would be able to immediately benefit from the use of the service, for example, for the possible defense of a trademark, in case of prior use in different jurisdictions of a patent or for certifying the date of publication so that main users would be able to start using the digital service for the publication. The aim was not to protect the publication or any dissertation as a secret confidential document, but rather enable a way of participating in open science or open innovation. Such users would be much more interested in sharing the publication and the research results. Even in that situation, the time and date of creating such a document as a contribution to the scientific and innovation community, were very important in case that there might be some arguments as to which scientist first came up with this idea. The copyright area, referred to in the Q&A, had already been specifically mentioned by the Director General in his opening remarks. Therefore, there were no specific limitations as to which part of IP could be covered by the service. As long as any sort of original document had been created, one would be able to immediately use the service to certify the time and date of creation and possession. The authorship and ownership of that document or invention, in case of inventorship, was another matter to be left to each relevant jurisdiction to resolve should there be a dispute arising from the existence of the document. The Secretariat further clarified that any unique combination of a hash and document, as mentioned by the Delegation of Switzerland, and in this regard, the reason for choosing a particular standard, was based on the belief that the technology in question was already more than 20 years old. During the past 20 years a number of technology improvements of original initial public PKI and private infrastructure had taken place, and the Secretariat should be able to take advantage of those recent improvements so it would not be stuck to certain specific technology. The Secretariat would constantly improve the technology in order to ensure that there was compliance with internationally accepted industry standards. As regards target users, the Secretariat recalled that it had highlighted three main target user groups, the first being the owners of trade secrets. Trade secrets were part of intellectual property in a broader sense specifically referred to in the WIPO Convention. The service in this case would be a supplementary service to the current WIPO Global Protection Systems because before the actual filing of intellectual property applications, there was a vast, pre-competitive area that potential users might find very useful. One of those areas was trade secrets or undisclosed information. The same would

also be applicable to proprietary work prior to IP filing. Some countries were offering the provisional filing of patent applications, but many other countries were not offering such a possibility, which were giving rise to some grace period issues. Those issues, and any other uncertainties and needs that arose from applicants who were not ready to file a patent application would be addressed. Regarding the question from the Delegation of China on the cost of the service estimated at 1.3 million Swiss francs, the Secretariat explained that the staffing cost pertained to the cost of a project manager to manage the service amounting to about 400,000 Swiss francs over the next biennium. Regarding the question raised by the Delegation of the United States of America on the pricing structure, the Secretariat stated that its proposal was to charge a nominal fee for the generation of the time stamp and no fee for the verification. A price had not yet been set because the pricing would depend on a number of variables, in particular the pricing model, i.e. whether to charge a one time fee for time stamp or a subscription model, or a model based on credits. This had to be further analyzed and decided based on further market analysis and outreach to customers to understand their preferences. A similar approach had been taken when existing IP Services was launched for the PCT, Madrid and AMC. Concerning projections of use over time, raised by the Delegations of the United States of America and Switzerland, the Secretariat explained that there were initial estimates based on a number of exemptions. The net present value in the payback period was calculated based on several assumptions and scenarios, including an aggressive model and a conservative pricing and growth model which would be refined in line with the pricing and market analysis. To give an idea of the underlying assumptions that had been made, about 2.5 per cent growth from year two onwards to about 5 per cent growth in year 5 had been based on the assumption of receiving about 100,000 requests in year 1 to about a million in year 5. Those assumptions would have to be refined further in parallel to solidifying the market and pricing analysis. On the fraud question, raised by the Delegations of the United States of America and Switzerland, and as indicated in the Q&A, there were two aspects of fraud that would be prevented. In this context the Secretariat explained that WIPO was not asserting or arbitrating any ownership of IP rights, which implied that WIPO would not be involved in litigation or dispute resolution processes. WIPO would only certify the existence of a digital file or original document at a particular point in time. A user may take the file and use it in a litigation process to prove the ownership but WIPO would not be involved at all. There would be terms of use very clearly stated in the use of the service so users would agree to the terms and completely understand them before using the service. WIPO's alignment to technology and industry standards, like the IETF RFC3161, was required in order for WIPO to operate as a time stamping authority, and included a number of parameters to prevent fraud. WIPO would be using standards compliant, hardware based, cryptographic algorithms and systems to generate the time stamp which was already being certified at a certain level of security. Because of this robust and secure mechanism that WIPO would be using, WIPO would not be able to modify a time stamp once it was created, nor would it be possible to create fake time stamps. The whole process would be extremely foolproof because of the nature of the technology that would be used. Regarding the question from the Delegation of Singapore on the nature of the digital file, those files could be text files, documents and it could be an audio or video file. The format of the file was irrelevant. WIPO would be able to create a hash for any file, or any format of a digital file and accept the hashes, and the size of the file did not matter because WIPO would not be receiving the original file from the user. It would just be the hash, which was of a standard length irrespective of whether the file was 100 MB or 100 GB. On the question of the degree of changes done in the file and how that would affect the hash key, the Secretariat noted that even a small bit change in the original file would impact the hash key so the file that was being submitted for time stamping had to be stored in the user's possession in a very secure manner along with a digital certification that would be provided. WIPO could provide users with mechanisms to securely store the hash and the original file together on their local computers, but in essence, even if a small letter or a period would be added to the text document it would change the hash key. The Secretariat then

addressed the question from the Delegation of Switzerland on the extent to which time stamping certification was recognized in national jurisdictions and the requirement for ongoing monitoring rather than just an initial audit. A number of countries were already recognizing the use of digital signatures, which was the underlying technology used to create a time stamp, and they were not only recognizing the digital signatures, but were also recognizing it as admissible in a judicial practice, i.e. it had already been incorporated into respective laws and case laws forming a precedent on proving the admissibility of digital signatures in a court of law existed. Examples of such laws included the 2015 e signature law in China, the 2009 Digital Signature Act in the Republic of Korea, the e Sign Act of 2009 in the United States of America, the Electronic Communications Act of 2002 in the United Kingdom, the Canada Evidence Act in Canada, and the 2003 Electronic Signature Law in Switzerland. All of these laws were prescribing in detail how to generate a digital signature and the extent to which it would be accepted in a court of law. WIPO would be aligning itself to these laws, and all of these laws were themselves very closely aligned to an international neutral standard which was the IETF IEC RFC 3161. Therefore, there the difference was minimal between this central standard and the laws that had been incorporated into the countries' respective regulations. On the question raised by the Delegation of Uganda to add in the mitigation action, "delegates and visitors," the Secretariat believed that could be accommodated with no problem.

439. The Chair thanked the Secretariat for the comprehensive explanations. The Chair then turned to the precise proposal by the Delegation of Uganda and noted that the Secretariat had signaled that the proposed change could be accommodated easily. The change would be on page 160 in the second mitigation action and would read as follows, "Provide security threat information briefings and updates on developing global, regional, national or local threats, which could affect or impact WIPO personnel, delegates and visitors". The sentence would continue mentioning "operations, facilities, travel and assets". The Chair asked whether that formulation would be agreeable to everyone. As the Chair saw no requests for the floor, the change was agreed. The Chair then reopened the floor for any further clarifications regarding the Digital Time Stamp Service or on Program 28 more generally.

440. The Delegation of China thanked the Secretariat for the detailed explanations. As regards the personnel-related costs of 400,000 Swiss francs, the Delegation requested clarification of whether this would mean an increase of one post and whether there would be a related recruitment. Concerning legal and technology aspects, the Delegation requested the compilation of a more comprehensive document on the topic before the July session so that it could be sent to the legal and technology experts in capital.

441. The Secretariat responded that it would be feasible to prepare a more detailed paper or expand the Q&A to cover the legal, technical and policy questions raised by delegations before the July session. Regarding the number of posts required the Secretariat confirmed that there would be no increase in the overall number of posts as the resource initially would be engaged on a temporary basis for a period of two years.

442. The Chair reopened the floor for questions or comments. The Chair noted that at least one delegation had indicated that more time would be required on the Digital Time Stamp Service, in particular, but there had been no other comments on Program 28 apart from the one proposed change. The Chair therefore asked whether delegations were content with Program 28 aside from the Digital Time Stamp Service. Regarding the Digital Time Stamp Service, the Chair requested guidance on possible intersessional work, including an updated Q&A to cover this deeply technical subject. The Chair was keen to try to make as much progress on this topic in between the two sessions of the PBC with those technical experts that were interested. One delegation had suggested an expanded Q&A,

and the Secretariat had agreed to do that. The Chair noted that on other issues, it was agreed that an information session would be held.

443. The Delegation of China thanked the Secretariat for their replies and looked forward to receiving the document so it could study it as soon as possible.

444. The Delegation of Switzerland thanked the Secretariat for the very detailed explanations and noted that it would take back the information to its experts in capital for further study. With regard to the Chair's question, the Delegation felt that it would be useful to have more detailed information in writing, as the Delegation of China had also requested. The issues that the Delegation was currently studying opened up a huge number of questions related to law, intellectual property issues, and IT and technology. Given the number of people that this would involve in the capital, the Delegation needed detailed and in depth information in writing. That would be the best approach because an interaction by non-experts based in Geneva was very limited in terms of the depth that it could go into on the subject.

445. The Chair encouraged delegations to ask questions to the Secretariat as soon as possible so that it could start evolving the expanded Q&A on the Digital Time Stamp Service. The Chair hoped this would set a path forward on the Digital Time Stamp Service where some delegations needed further time. Returning to the wider Program, excluding the new service, Program 28, Information Assurance, Safety and Security, the Chair sought confirmation of whether delegations were satisfied with the Program as proposed, with the exception of the Digital Time Stamp Service and including the change proposed by the Delegation of Uganda. As there were no further requests for the floor, the Chair noted that with the one agreed change to Program 28, delegations were content with Program 28 aside from the Digital Time Stamp Service. A dynamic Q&A, with a written Q&A process would be prepared by the Secretariat before the July meeting of the PBC. The Chair then concluded that all nine strategic goals had been covered and then opened the floor for discussion on the Annexes.

446. As there were no comments on Annex I, 2018/19 Budget after Transfers by Program, the Chair opened the floor for comments on Annex II, 2020/21 Proposed Resources by Program.

447. The Delegation of the United States of America flagged an issue on the unallocated resources for the three diplomatic conferences. The Delegation, which acknowledged that there were offline conversations about that, wanted to put it on record that for any diplomatic conference that was contemplated, it would be convened on the basis of consensus and open to all Members. The Delegation wanted to put in the General Assembly Decision if it got to the point of adopting the Proposed Program and Budget.

448. As there were no further comments on Annex II, the Chair proceeded to open the floor for discussions on Annex III, the 2020/21 Allocation of Income and Expenditure by Unions.

449. The Delegation of Italy requested an amendment to Annex III. Despite the explanation received from the Director General, the Delegation was concerned that the present draft submitted by the Secretariat included an unexpected change in the allocation methodology by Unions. Such a proposal represented a deviation from the capacity to pay principle, which was the rule that had been applied so far for the allocation of expenses by union. The issue of the allocation methodology had been intensively debated the previous year during former meetings of this Committee, and at that time, no consensus could be reached among the delegations. The Delegation strongly believed that the fundamental principle of solidarity that was at the very basis of the well-functioning of that esteemed

Organization would be undermined should the 1 per cent nominal contribution to cover expenses for Unions be now introduced as it was foreseen in the current draft. Introducing such a change could have far-reaching and long-term negative consequences for the Organization as a whole, and could impact its functioning and its capacity to fulfill its international mandate that was to promote intellectual property worldwide. The allocation methodology by union was a crosscutting topic. In particular, the Delegation considered that principle a cornerstone in order for WIPO to efficiently achieve the Development Agenda goals and to increase the use of Global IP Systems by developing countries and by SMEs contributing to innovation and economic development. The Delegation, therefore, requested that the 1 per cent nominal contribution be removed from Annex III.

450. The Delegation of Switzerland expressed its surprise that a change in the methodology for allocation of expenditure was being proposed in the Draft Program and Budget 2020/21. The Delegation recalled that in numerous past discussions on the issue of that methodology, no consensus had been achieved to modify the method, which had been used for a number of years and which had featured in a number of previous programs and budgets approved by Member States, as there was good reason for that. The current method contained a pragmatic approach, which was appropriate to WIPO. It was not giving additional expenses to Unions that do not generate a profit. Changing the method would question any nonprofit activity. The Delegation noted that that was the case in the majority of activities of the Organization. It was further noted that the majority of income of the Organization came from PCT and to a lesser extent from Madrid. The Delegation expressed the opinion that it was normal and appropriate that that could be used to finance other important activities of WIPO. The introduction in Annex III gave reason for the change, saying that without that, the majority of the Unions, i.e. CF Unions, the Hague and Lisbon, would not be able to undertake indirect expenses. The Delegation found it difficult to understand the logic there because the problem was that they could not undertake additional expenses, and the change was saying that there were Unions, which could not pay; therefore, the Unions would make them pay. It was not logical. The Delegation explained that those Unions were not able to pay because they had justified operational needs. The Hague needed significant investment in its information system with the intent of the geographical broadening of the System. Lisbon, with the Geneva Act, was a young System, which needed to come into force and needed startup capital, which was the same as other Unions in the past. The CF Unions had a broad range of important activities of WIPO such as work on genetic resources, traditional knowledge, and traditional culture expressions. Thus the IGC was strengthening capacity on those areas, activities on copyright, and promotion of the Beijing and Marrakesh Treaties just to name a few of those important activities. If those activities required resources, and those three unions were not adequately rich to finance them, WIPO had enough resources, as was underlined the previous day by the Director General. Looking at WIPO as a whole organization, money was not lacking. If the methodology for allocation was changed, it would be taking a retrograde step and it would have three unions run the risk of becoming poorer. Following the logic of self-financing that certain delegations preferred, those Unions would either have to renounce their activities, or ask for additional resources for those Unions. That was not the future that the Delegation wished for WIPO. The Delegation had always defended the unitary logic because it believed that the whole range of activities carried out by WIPO had its legitimacy, and if expenses were artificially increased on nonprofit-making unions, it would be taking away from the unitary logic of the Organization. The amount proposed seemed to be small, but nevertheless, it was a change in the system in the way it was applied. Therefore, the Delegation was not able to support the change proposed because it was a change that would be a deviation from the strict implementation or the adjustment or adaptation, and would be a fundamental change. Therefore, the Delegation asked that Annex III be reformulated to reflect the current methodology.

451. The Delegation of the United States of America welcomed the opportunity to continue discussions on the allocation for the income and expenses by Union. The Delegation remained concerned about the financial imbalance among fee-funded unions. As the Director General explained earlier that week during his introduction of the Proposed Program and Budget, and as clearly set out in the WIPO Convention of Financial Provisions of WIPO Treaties, there was supposed to be a budget of expenses common to the Unions. Each one of WIPO's four existing registration systems, namely the PCT, Madrid, the Hague, and Lisbon, had a governing treaty currently in force that provided for five key elements. The first one was that the Unions shall have a budget. Second, the budget shall include the income and expenses of the Union and its contributions to common expenses. Three, and a very important point, the share of the Union in such common expenses shall be in proportion to the interest the Union has in them. Four, the fee shall be so fixed that the revenue should, under normal circumstances, be sufficient to cover the expenses of the International Bureau. Finally, five, the budget was coordinated with other Unions. The Delegation recalled that Article 57 of the PCT, Article 12 of Madrid, Article 11 of Lisbon and Article 23 of the Hague each enshrined those five principles. Those elements mandated that the Unions be financially self-sufficient, and more importantly because each Union had an interest in the common operation of the Organization, each Union was expected to contribute to some extent to the common expenses. There was no agreement that the PCT Union should continue to cover the common expenses of the other Unions, which were not abiding by their treaty commitments. The Delegation appreciated that the Secretariat had proposed a token payment by those unions previously not contributing towards the common expenses in the draft. While the Delegation preferred a more proportional approach to the sharing of common expenses, the Delegation indicated that it was willing to support a gradual approach towards such balance. However, in no case, could the Delegation support a proposal that did not include payment towards the common expenses by each fee-funded union, since their treaties required it. The Delegation believed that it was incumbent on the International Bureau and the members of the PBC to respect the legal requirements of those Unions. The 2017 WIPO Assembly's decision approving the current budget noted the fee-financed unions, with a projected deficit, should examine measures in accordance with their treaties to address that deficit. The Delegation was disappointed that neither the Secretariat nor the fee-financed unions with projected deficits had come forward with required measures. The Delegation was hopeful that appropriate measures requiring all unions to contribute 1 per cent of their income towards the common expenses of all unions was a step in the right direction. The Delegation hoped to see that contribution increase over time. The Delegation was interested to hear from the Legal Counsel as to what responsibility the Secretariat had to ensure treaty financial obligations were met, especially treaty obligations that go to the operation of the Organization.

452. The Delegation of Indonesia, speaking in its national capacity, raised some questions related to Annex III. On Page 166 on the introduction of Annex III, the Delegation asked for the underlying reason of the sentence, "In order to ensure a minimum contribution of all Union towards common expenses..." The Delegation, acknowledging that it had already heard some explanations from the Secretariat in the course of the week, asked the Secretariat to remind the Delegation because the wording was in order to ensure minimum contribution. The Delegation requested clarification on when an agreement on the need to ensure a minimum contribution of all Unions towards common expenses occurred. The Delegation noted that it had been following the discussions with regard to the allocation of income and expenditure by union, and it seemed that the discussions had shifted not only with regard to the fee-funded unions, but also coming close to the CF Unions that was one of the main parts of the mandate of that Organization. As the Delegation had stated in previous meetings made in that Committee and the General Assemblies, that was the World Intellectual Property Organization and not just the world patent organization or the world trademark organization. The Delegation was worried that with that kind of wording, there was a need of ensuring that even a minimum contribution of all Unions toward common

expenses might have some impact too, especially activities under the CF Unions, which the breakdown of what the expenditure of the CF Unions, mostly the biggest component of the CF Unions' expenditure was on copyright and related rights, which was including decisions of the SCCR. The Delegation sought more clarification from the Secretariat with regard to that.

453. The Delegation of France fully supported the approach of the Delegations of Italy and Switzerland. From its point of view, it seemed that there was a paradox in the proposal coming from the Secretariat to give 1 per cent of resources to common expenditure, given the functioning of the principle of WIPO as a unitary organization and taking into account the indirect expenses according to capacity to pay. Proposing to two unions, which cannot pay, that they have to pay, was the paradox, particularly under Article 3 of the 67 Convention on Administrative Cooperation among the Unions. Therefore, it would be better to have in writing from the Secretariat, a demonstration that was both technical and legal which demonstrated that that proposal would not affect the current budgetary method, to which the Delegation, among others, remained attached. The Delegation noted that it was not a question of the amount, as the amount was still small and it could remain 1 per cent, but it was just a question of principle. The Delegation believed that that needed to be addressed at the next Lisbon Working Group meeting to be held at the end of May. The Delegation concluded by stating that at that stage, the Delegation could not accept the proposal from the Secretariat.

454. The Delegation of Germany thanked the Chair for his very able guidance throughout the week and expressed its sincere thanks to the colleagues from the Secretariat for the large amount of information that had been provided by them before and during the week in a very professional matter. With regard to the subject matter of Annex III and the allocation methodology of common expenses, the Delegation was of the view that the capacity to pay principle was one of the important factors that contributed to the success of the Organization in all its different branches. The Delegation was not convinced of any additions to the capacity to pay principle, which would dilute that principle. The Delegation echoed the concerns already expressed by several other delegations in that regard.

455. The Delegation of Brazil joined in with the other delegations, which had preceded, that the discussion on the allocation methodology was not a new one. The main issue that was before the delegations would be the financial balance of fee-financed unions. Those fee-financed unions had in their treaties, under the article on finance, potential measures that could be done to restore their balance. It was mentioned that the share of the Hague and Lisbon Unions in the common expense should be in proportion to the interest that the Union had it in, but the following paragraph was also important to take into account. Referring to the paragraph, the Delegation noted that it stated that the amount of fees should be at least sufficient to cover all the expenses of the International Bureau for those Unions. Taking into account that language, a deal had been struck back in 2017 for the adoption of the budget in that year, and in that decision, it was requested that the fee-financed unions examine the measures in accordance with their own treaties to address that deficit. There were a couple of decisions that could be done by each Union. For instance, increasing or raising the fees for a certain period of time. Maybe the increased deficit was due to unforeseen circumstances that they should take into account in their analysis as well. That was to be done by each individual union and not by the broader membership of WIPO. Turning back to the WIPO Convention, Article 3.2 mentioned the objectives of the Organization were to ensure administrative cooperation among Unions. It was agreed that the capacity to pay principle was one of the cornerstones of the Organization. If that were changed, it could negatively affect the work of the Unions, especially the CF Unions. The CF Unions included copyright, one of the pillars of the Intellectual Property System, and by its own nature, copyright would not collect fees, at least not at the WIPO level. If there was a departure from those capacity to pay fees, the Delegation agreed with the delegations of Switzerland, Italy, Germany, among other delegations, that that would affect the solidarity that was required as

an organization to ensure the proper functioning of it. The Delegation noted that the Delegation of Indonesia also mentioned the justification for that change. The Delegation recalled the decision on the adoption of the budget (document A/57/11/Addendum 3), which very clearly mentioned that the allocation methodology, "...is a crosscutting topic and decides that the PBC will continue the discussion on the methodology of the allocation of income and expenditure in its future sessions based on relevant documents and other proposals by Member States." There was a clear mandate to discuss proposals, but there was no agreement on any proposal. Pending that agreement, the Delegation suggested refraining from departing and adopting a new allocation methodology. In that sense, the Delegation would not be in the position to support the inclusion of the 1 per cent payment as per Annex III.

456. The Delegation of Malaysia asked for the reason behind the nominal 1 per cent and, questioned that if that were to be adopted, whether there would be a possibility of reviewing this figure in future biennia.

457. The Delegation of Iran (Islamic Republic of) stated that most its comment had already been delivered by the delegations of Switzerland, Italy and France, and that the Delegation aligned itself with the views expressed by those delegations. The Delegation noted that it had followed the discussion on that issue since the beginning of the week very carefully. The Delegation consulted with some delegations as well as with their colleagues to better digest the rationale behind the proposal made by the Secretariat in that particular Annex. The Delegation was of the understanding that this proposal was a deviation from the capacity to pay principle as well as changes in the allocation methodology, which there obviously was no consensus among Member States on that issue. The Delegation expressed that it was not a matter of the amount. It was not a matter of minimum contribution by each union, because the amount was not too much. Rather, it was a matter of principle. When there was no consensus on any particular proposal or issue, it should not be implemented. In the light of that, the Delegation could not support this proposal and its preference was to continue the current practice.

458. The Delegation of the Russian Federation shared the concerns raised earlier by a number of delegations regarding the proposal in Annex III, which would change the allocation method, and would be done without having reached any consensus. The current system was currently being created, and increasing the expenses of the Lisbon Union would destabilize the current system and would also make it less attractive to potential new members. That would mean that it could no longer be developed. Therefore, the Delegation was convinced that the current allocation method must be kept for the different unions as they contributed to the budget. That would mean that the system would not disintegrate and would not lead to a very unfavorable situation for the whole of the organization.

459. The Delegation of Mexico joined with those delegations who had spoken earlier, requesting that the current methodology be kept, noting that those delegations had underlined very important points as to why the current methodology should be kept. The Delegation added that it understood that the level of maturity and development that the three Unions had, therefore, that was why voluntary contributions were made to the Lisbon Union to improve it. The Delegation hoped that in the very near future, it could reach the level of payments that were expected. The Delegation believed that it was fundamental to respect the principles that the Organization support, for example, the capacity to pay so that the Unions had the time to be consolidated and to reach full maturity. In conclusion, the Delegation explained why that was why the Delegation would support keeping the current methodology and could not support the current proposal.

460. The Delegation of Japan shared the same comments expressed by the Delegation of the United States of America. The Delegation reiterated that each Union should have

revenue sufficient to cover its own expenses. As a result, it was essential to allocate the budget in a transparent and fair manner.

461. As there were no further requests for the floor, the Chair passed the floor to the Secretariat to respond to the questions posed by the delegations on Annex III.

462. The Secretariat took the floor to address the questions from the delegations. The Secretariat noted that there were a couple of questions of legal nature and the Secretariat would consult with the Legal Counsel and hoped to be able to come back with that. The current proposal, in terms of the Draft Program and Budget, had many changes, which, if compared to the 2018/19, was the Secretariat's mandate to make proposals in terms of listening to the conversations and the dialogue the delegations had with the Secretariat in previous Program and Budget Committees and Assemblies, but also looking at the questionnaires very carefully. Regarding the questions related to the 1 per cent, the Secretariat had been asked several times, and not just by one delegation, but by several delegations, how within the framework, there could be a minimal contribution from all Unions toward common expenses. The Secretariat had also been asked why the Lisbon Agreement had not been promoted by Programs 9, 10, and 20. The Secretariat mentioned that it tried its best to respond to all of those requests, but again, did not wish to add much to what the Director General had already said, as he was very clear that that was a proposal for your consideration. The Secretariat noted that removing the 1 per cent from the table was not at all a problem, but the Secretariat would be entirely guided by the delegations. Responding to the question on why the proposal for 1 per cent, the Secretariat noted that it was a minimal symbolic contribution. The majority of the common expenses, and that remained valid, were borne by the PCT and Madrid Unions. That was a fact that would remain as long as the Unions remained what they were. In respect of the comments made on the CF Unions, it was noted that the CF Unions in previous applications of the methodology had indeed been bearing some of the common expenses. That was the first time that the CF Unions fell out of the capacity to pay calculation. That was not a change in the methodology. After strictly applying the methodology, a majority of the Unions, which meant the CF Unions, the Hague, and Lisbon, all three, fell out of the bracket of capacity to pay and, indeed, it was a proposal that a minimum symbolic contribution be represented of 1 per cent. That, which had been indicated by some delegations or feared by some delegations, did not materially change the situation for any of the Unions. The PCT and Madrid Unions remained bearing the lion's share of the common expenses. To support that with information, in the 2018/19 biennium, it was 98.9 per cent of the common expenses borne by the PCT and Madrid Unions. In the case of the 2020/21 proposal, it was 99.3 per cent of the common expenses. Almost very little changed to that, but, noted the Secretariat, it was heard very clearly that it was not the numbers that mattered. Some delegations raised the question that that proposal was really not a change in the methodology. It was the application of the methodology as pertained to the proposal for 2020/21, so it was contained for the 2020/21 proposal, and it was not seen that any future periods were implied. For the benefit of all delegations, the capacity to pay principle was documented and proposed by the Secretariat back in 2007, in the context of the 2008/09 biennial proposal, and that was simply to document and regularize what was already being done in previous biennia to make it transparent, noting that it had been applied since. In terms of whether or not it applied to future periods, the Secretariat stated that it indeed did not because it was contained within the Program and Budget Proposal for the biennium 2020/21. The Secretariat maintained that it had not changed the fundamental methodology. However, after strict application and the calculations, at the end, the 1 per cent was added. The Secretariat reiterated that it was in the hands of the delegations if there would be any reversals to the zeros.

463. The Chair took the floor and stated that that was not a new topic. The Chair understood the concerns over the apportioned methodology included in the document and the proposal to revise Annex III. The Chair also acknowledged those delegations for whom

that might be a problem. The Chair opened the floor for further questions, comments or requests for clarification from the Secretariat. Speaking on Annex III, the Chair acknowledged that that would require further work. The Chair stated that he was in the hands of the delegations in terms of the next steps. He noted that there would be some time in the afternoon session of the current PBC, between the PBC sessions, and there was the July session to handle that issue. As there were no further requests for the floor, the Chair adjourned Annex III for further discussion. The Chair noted that unless rapid progress would be made for the afternoon session, the topic would need to be referred to the July session of the PBC. The Chair then opened the floor for discussions on Annexes IV, V, VI, VII, VIII, IX and X. Seeing that there were no comments on the remaining Annexes, the Chair opened the floor for comments on Appendices A, B, C and D. As there were no requests for the floor, the Chair concluded that the first reading of the 2020/21 Draft Proposed Program and Budget had been completed. The Chair then summarized the six outstanding issues which were as follows: (1) the indicators on the Lisbon Agreement in Programs 9 and 20; (2) the performance indicators on the geographical coverage and the language on geographical diversity of staff in Program 23; (3) the organizational reward in Program 23; (4) the question under Program 19 about the translation of WIPO publications; (5) further time needed on the Digital Time Stamp Service; and (6) further time needed on the union allocation methodology. The Chair proposed to adjourn for the morning and hoped to make progress on the issues for the afternoon session.

464. The Delegation of Canada, speaking on behalf of Group B, noted that there had been discussions between the regional coordinators and among the delegations in some regional groups about the geographical representation issue. On Program 23, Group B could accept the language that was proposed the day before by the Delegation of Indonesia on behalf of the Asia and Pacific Group that would read under romanito (i) on page 143 on the second paragraph on the bottom, the promotion of gender equality and more equitable geographical representation.

465. The Delegation of Indonesia thanked Group B for their flexibility with regard to the language, and looked forward to the track changes on Program 23 that would reflect that. The Delegation noted that as the Secretariat had mentioned the day before, those changes would also involve a reallocation of the budget itself.

466. The Secretariat took the floor to clarify that neither the narrative nor the tables would change as a result of that because neither the amount for gender balance nor the amount for geographical diversity reflected was in the document because those were lower-level activities related to the higher level expected results. The Secretariat reiterated that it would be working with the HRMD Director to internally reallocate so that greater emphasis would be placed on the geographical aspects as they had been placed on the gender aspects.

467. The Chair retook the floor to note that resources would be reallocated but within particular lines. The changes to resources in the track-change version would not be seen.

468. The Delegation of Brazil thanked the Secretariat for the clarification provided and thanked the flexibility shown by Group B members. The Delegation was also in a position of agreeing to the new language.

469. The Delegation of Switzerland joined the statements made by the Delegations of Italy and Iran (Islamic Republic of) with regard to flexibility on the proposals made, and therefore, the Committee could make progress in its work and close on Programs 20 and 9.

470. The Chair thanked the delegations for the flexibility shown. The Chair addressed, first, the new language under Program 23, Human Resources Management and Development and the proposal on Page 143, under resources for Program 23. The second

point, "The net increase in non-personnel resources was due to a combination of reduced costs as a result of insourcing medical services and additional resources for the promotion of gender equality" and then, adding "more equitable geographical representation." The Chair noted there was an additional outstanding item on Program 23, and so that Program remained open subject to resolution of that item. The Chair thanked the Delegation of Switzerland for also indicating flexibility along with the Delegations of Italy and Iran (Islamic Republic of) earlier that morning, to the request for Lisbon indicators in Programs 9 and 20. The Chair understood that those delegations did not want those indicators, and so Programs 9 and 20 would remain as they were, subject to any changes that were agreed elsewhere, so there would be no change with respect to those. The Chair noted that with those developments, the list of outstanding points were reduced to four and the draft List of Decisions would reflect the conversations up to that point. The morning session was adjourned.

471. The Chair opened the afternoon session, returning to the one substantive open agenda item, agenda item 6, the Draft Proposed Program and Budget for the 2020/21 biennium. The Chair mentioned that a draft of the proposed decision paragraph was sent to the delegations after the morning session, which was exclusively under the Chair's authority, and it reflected what was agreed. The Chair proposed to take it paragraph by paragraph starting with point 1, which read as follows: "The Program and Budget Committee, having completed a comprehensive first review by Strategic Goal as well as annexes and appendices of the Draft Proposed Program and Budget for the 2020/21 biennium, WO/PBC/29/3." The Chair then opened the floor for comments.

472. The Delegation of Iran (Islamic Republic of) was grateful to the Chair for the draft decision paragraphs, with which it was fine in principle. The Delegation had no particular comment with regard to the first paragraph but had a general comment in nature. The Delegation proposed a new paragraph about Annex III of the Draft Program and Budget document for the consideration by the Committee. A majority of the delegations who took the floor during the consideration of Annex III were not in a position to support the current draft as it stood at that time and asked for the revision of Annex III based on the current practice. The Delegation requested the Secretariat to prepare a revised version of Annex III according to the current allocation methodology, meaning the 0 per cent element, and submit it to the next PBC session for the ease of reference and further consideration by the Committee.

473. The Delegation of Switzerland supported the proposal from the Delegation of Iran (Islamic Republic of), inasmuch as there was broad support for the idea of going back and revisiting Annex III as it appeared in many programs and budgets, including the present one.

474. The Delegation of Brazil, joined the Delegation of Switzerland in supporting the proposal from the Delegation of Iran (Islamic Republic of).

475. The Delegation of the United States of America voiced its opposition to the suggestion from the Delegation of Iran (Islamic Republic of). The Delegation looked forward to seeing the Draft Proposed Program and Budget as it now stood with those modifications and would leave this issue to discuss in the July session.

476. The Delegation of Italy supported the proposal from the Delegation of Iran (Islamic Republic of).

477. The Delegation of France supported the proposal from the Delegation of Iran (Islamic Republic of).

478. The Delegation of the Russian Federation expressed its support for the proposal from the Delegation of Iran (Islamic Republic of), which had also been supported by a number of other delegations, that a new draft be prepared of Annex III on the basis of existing methodology providing for the same budget for all of the Unions.

479. The Delegation of Indonesia supported the proposal put forward by the Delegate of Delegation of Iran (Islamic Republic of) for their understanding with regard to the preparation of discussion with regard to Annex III for the July session.

480. The Delegation of Mexico supported the proposal from the Delegation of Iran (Islamic Republic of).

481. The Delegation of China supported the proposal from the Delegation of Iran (Islamic Republic of).

482. The Chair noted that he heard a chorus of support for the proposal by the Delegation of Iran (Islamic Republic of) but not consensus. The Chair recommended returning to it under iv.d. The Chair did not want to diminish the importance of it, but wanted to work through the rest of the agenda item. The Chair pointed to decision point iv.d, which attempted to recognize the fact that a number of delegations had expressed concerns about the 1 per cent contribution. The Chair recalled that the Delegation of Iran (Islamic Republic of) had requested details of what the removal of the 1 per cent contribution may mean and so, there might be other ways if that was part of the request. The Chair reiterated his suggestion to work through the other decision points because those were related to iv.d to a large degree as well. Any change probably needed to be picked up and taken in conjunction with decision paragraph iv.d. The Chair returned to the first paragraph, which concluded with the document number WO/PBC/29/3 and asked if there were any comments on that paragraph. As there were no comments, the Chair opened the floor for comments on paragraph ii.

483. The Delegation of the Russian Federation noted that it had a proposal on the translation of publications into the official languages of the UN, which were French, Spanish, Russian, Chinese and Arabic. The Delegation had a specific proposal, which it believed did not give rise to any objections from the Committee Members. The only pending issue was the proposed volume of things to be translated officially, those official publications. The Delegation requested that Program 19 be listed as one of the Programs in paragraph i. If the Committee agreed with that, the Delegation requested the appropriate amendment to the text.

484. The Chair thanked the Delegation of the Russian Federation for that amendment. The Chair and the Secretariat confirmed that there was an agreement to change "different" to "all." "All" meant the official languages but it was changed from "different" for "all" languages in Program 19. The Chair apologized for that omission and noted that the track change version and would capture Program 19 in that one unless any Delegation felt otherwise.

485. The Delegation of the United States of America suggested to add "for further consideration" to paragraph ii.

486. The Delegation of Brazil suggested that paragraph ii be discussed in parallel with paragraph iv.d, as there was a proposal by the Delegation of Iran (Islamic Republic of) to issue a revised draft.

487. The Delegation of Canada asked for guidance to find where the references to "all" was in Program 19.

488. In responding to the Delegation of Canada's question, the Secretariat referred to the bottom of page 121 where the word "different" appeared. That word "different" was replaced by "all".

489. Following the comments from the delegations on paragraphs i and ii, the Chair stated that the proposal by the Delegation of the United States of America to include "for further consideration" to paragraph ii and that at least one Delegation was not willing to agree to that until iv d was discussed. The Chair moved on to paragraph iii, which took note that the personnel costs for 2020/21 would be updated in the revised version of the Draft Program and Budget, Draft Proposed Program and Budget for the 2020/21 biennium to reflect the impact of changes to the salary scale for professional and higher categories with effect from January 1, 2019 and the new scale of pensionable remuneration for staff in the professional and higher categories, which came into effect on February 1st, 2019, brackets, "impact amounts to approximately 3 million Swiss francs," closed brackets. As there were no requests for the floor, the Chair moved to paragraph iv, the list of outstanding issues. Starting with iv.a, performance indicator related to the translation of WIPO publications in all official languages in Program 19, the Chair took that there was agreement that that was outstanding and needed to come back to. The Chair recalled that one Delegation had a proposal and asked if the Delegation would like to share it with the Committee at that moment.

490. The Delegation of the Russian Federation presented a proposal to the Committee. The Delegation stated that it had a draft ready, which was prepared in the group of like-minded Countries with the assistance of the Secretariat. The Delegation then read out the proposal: The first had to do with the performance indicator for Program 19, the publications for which the executive summary was translated into all official UN languages. The Delegation continued that under the baseline would be, 62.5 per cent, and under the target, 100 per cent. That proposal would have no financial implications. The second proposal was on the percentage of WIPO publications on substantive IP topics published in 2020/21 and translated into all official UN languages. Under the baseline column, 0 per cent in 2018, then under the target it would be TBD. The Delegation proposed to agree on that in the July session.

491. The Chair thanked the Delegation of the Russian Federation for setting that out. The Chair suggested, with the Secretariat's support, circulating that proposal that afternoon, as it would provide a good basis for the discussion in the July PBC. It would allow for some discussion in advance between Geneva Delegates.

492. The Delegation of Canada, speaking on behalf of Group B, thanked the Delegation of the Russian Federation for reading the proposal and noted that it was very helpful in consideration of that issue. The Delegation requested more information received on that, including what TBD meant if those figures were indeed determined at some point between the current and July session. If Group B had an idea of the costing and of the scale that that would entail, it would make Group B's consideration easier.

493. The Delegation of China supported the proposal made by the Delegation of the Russian Federation, and noted that it was also looking forward to discussing it during the July session with regards to the WIPO publication official language percentage.

494. In response to the Delegation of Canada's proposal, the Delegation of the Russian Federation wished to come up with something that was most acceptable to everyone and noted that the best thing would be 100 per cent for the translations, publications, which were referred to in that KPI. In the interest of consensus and making the work of the Committee as a whole easier, the Delegation was prepared to display flexibility and counted on the full support of the Committee and the Secretariat.

495. The Delegation of Croatia supported the proposal by Group B.

496. The Chair, hearing that the delegations were content with the language in the draft decision to which the Committee would come back in July, circulated the draft proposal by the Delegation of the Russian Federation. The Chair then noted the request from two Regional Groups to clarify that proposal to the degree possible, including on the target, and taking advice from the Secretariat on costs if possible before the next session so that there would be an informed discussion in July. The Chair then moved to iv.b of the draft decision, which was the WIPO Rewards and Recognition Program, Program 23. In that regard, the Secretariat would work with interested Member States, including organizing an information session as soon as possible, to make progress on the issue for the next session of the PBC. The Chair opened the floor for questions or comments. As there were no requests for the floor, the Chair moved to the next paragraph, iv.c, the digital timestamping initiative, Program 28. The Chair informed the delegations that an expanded Q&A would be published as soon as possible before the next session of the PBC, addressing in detail the technical, legal and IP related questions raised in the 29th session of the PBC. The Chair paused to allow for comments. As there were no comments, the Chair moved to issue iv.d, and ii, which were linked by at least one Delegation. The Chair read the draft as it stood at that moment, which was a nominal contribution of 1 per cent estimated income of the Contribution Financed (CF), the Hague and Lisbon Unions towards common expenses, (Annex III): 2020/21 Allocation of Income and Expenditure by Unions. The Chair opened the floor for further discussion on the remaining aspects of ii and on iv.d.

497. The Delegation of Switzerland noted that it had seen a very wide support for the inclusion, in the Revised Program and Budget, the current applicable allocation methods. The Delegation recognized that one Delegation did not share that opinion. It would seem important that the two proposals would be reflected in the Revised Program and Budget in a clear and transparent manner. The Delegation was of the opinion that that could be best and most simply done directly in the text of Annex III. While there was agreement on a point, it was usual that that was reflected with the integration of square brackets where there was no agreement around that. The Delegation suggested a clear and transparent representation of the state of the discussions in Annex III. Therefore, the Delegation proposed adding square brackets in the passages in Annex III of the English language version, paragraphs on page 166 in the introduction, around "strictly applying the methodology", and skipping some of the text, until "a nominal 1 per cent of their revenue towards common expenses." The analog change would come in the allocation of expenditure by Union section. Moving to page 167 at the top, the Delegation suggested adding square brackets around "those Unions, which do not have a 'capacity to pay'" until the end of the sentence, closing those bracket. Therefore, those brackets would be closed. As discussions would continue in PBC 30, the tables would have to be adapted accordingly.

498. Responding to the Delegation of Switzerland's suggestion on bracketing text, the Delegation of the United States of America questioned if that was a common practice for the Program and Budget and deferred to the Secretariat. The Delegation questioned if all four of those outstanding issues would be bracketed. The Delegation acknowledged that the Committee would return to the issue in the July session and discuss it further. The Delegation inquired if it could be left in as proposed and revisited later.

499. The Delegation of Italy joined the proposal from the Delegation from Switzerland, noting that it was indeed a reasonable compromise, which allowed enough transparency for all delegations to clearly underline that on that matter, as there was no consensus. The Delegation highlighted that the Secretariat had underlined that they had come up with just a proposal and that they were in our hands. It seemed that a majority of delegations were not as concerned about that change. The Delegation believed that a solution also following the first suggestion from the Delegation of Iran (Islamic Republic of) was a good compromise

that could be to use the square brackets, which was not so unusual in the international framework.

500. Addressing the delegations comments about the square brackets, the Chair explained, with his understanding from the Secretariat, that was not normally done in a document that was not a treaty text. The Chair suggested to expand paragraph iv.d to capture all the language where there was no agreement. As had been done with the other areas of disagreement, it was for consideration. The proposal would be to capture the text read out by the Delegation of Switzerland and to put that verbatim into the decision paragraph to say that remained outstanding for discussion.

501. The Delegation of Iran (Islamic Republic of) clarified that its proposal was based on its understanding from the Secretariat that Annex III was prepared based on the 0 per cent. The Delegation asked the Secretariat to clarify if they had misunderstood that point. The Delegation stated that its proposal was based on that fact that based on the Committee's deliberation and the position of the majority of Member States, as it was obvious that there was no consensus of the current draft. It was not something that anyone could challenge. The proposal was not intended to put both positions or proposals on equal footing for further discussion on the next session of the PBC. It did not mean that there was consensus on the content of the revised version. The Delegation stated that as it seemed that there was no consensus on its proposal, the proposal by the Delegation of Switzerland, to put the current version or some part of the current version in brackets was a wise compromised proposal to put forward.

502. The Delegation of Brazil, referring to the previous comments by the Delegation of Iran (Islamic Republic of) also thought that putting brackets in the text would lead to more clarity on the issues at hand. The Delegation requested the Chair to repeat the proposal on the language so that it could take note. It was important to emphasize that there was an agreement among members on this, noting that that was factual and that that was an outstanding issue in July. That would be a compromise between those who wanted and those who did not want those expenses.

503. The Delegation of Indonesia wanted to make sure that for the sake of whomever would be representing the Delegation for the July meeting would be able to understand what was really going on with regard to iv.d. Someone that was representing the Delegation in July would not see the current methodology without the proposal of a nominal contribution of 1 per cent. So, there might be flexibility, but the Delegation wanted to make sure that the way the Organization had been allocating the methodology before the proposal would be available to whomever would be attending the meeting in July. The Delegation suggested expanding iv.d, depending on how the discussion on that issue would unfold, with the format of iv.c. Whether putting brackets or to ensuring that the current methodology would be reflected as well in Annex III, it needed to be reflected on the list of documents or in the Draft Proposed Program and Budget of the next PBC in July.

504. The Chair noted that it could put anything collectively agreed on in the List of Decisions, noting that inserting square brackets had not been done anywhere else in the document. The reality was that that was not agreed final until the General Assembly in autumn. Until that point, effectively, there could be a square bracket around the whole text. The Chair then made a proposal, which tried to address some of the concerns and requests for more information on what the alternative scenario that the delegations had put forward looked like. The Chair suggested expanding iv.d to capture the fact that a number of delegations did not agree with a fair chunk of the introductory paragraph on page 166 and at least one line on 167. That was one solution that would make it absolutely clear in the decision to the July PBC that the PBC needed to come back and look at that language on pages 166 and 167. The Chair also suggested that the PBC could instruct the Secretariat in

iv.d to prepare, in the Q&A document, an explanation of what Annex III would look like in the absence of the 1 per cent contribution. Therefore, one scenario would be in the proposed budget, and another scenario would be in the Q&A for discussions in July. The Chair then opened the floor to gather views or alternative proposals.

505. The Delegation of Switzerland wished to clarify the Chair's proposal. It would be to add things to the draft decision iv.d to reflect that iv.d, as opposed to iv.a, iv.b and iv.c, was an item where there were various proposals on the table supported by different delegations. Also, the proposal that the Delegation supported together with a number of other delegations would be reflected in an informal document, the Q&A document.

506. The Chair confirmed that the decision paragraph iv.d would capture the language that many delegations were unhappy with in on pages 166 and 167, as had been done with the other items where there was no agreement. The Committee would turn back to the delegations to see exactly on which bits of the text where there was no agreement and required further discussion in July. Secondly, to instruct, in the decision paragraph, that the Secretariat would prepare the impact on Annex III without the 1 per cent contribution.

507. The Delegation of Indonesia thanked the Chair for the proposal. The Delegation noted that it might be able to agree on that proposal under the condition that the language in iv.d should start with the addition of the proposal before the nominal contribution of 1 per cent of estimated income of the CF, the Hague and Lisbon Unions towards common expenses and then the addition of that as an alternative to the current methodology. Then, it would continue on to what the delegations wanted the Secretariat to prepare.

508. The Chair attempted to summarize the Delegation of Indonesia's previous statement. The Chair noted that the Delegation proposed iv.d to start with the proposal of a nominal contribution of 1 per cent and the sentence continued, then, prefacing whatever came at the end of that drafted paragraph, as an alternative to the current methodology, the PBC had asked the Secretariat to prepare a scenario in the Q&A document. The scenario in the Q&A document would reflect the impact of removing the 1 per cent contribution. The Chair opened the floor for views.

509. The Delegation of Indonesia reread its suggestion. If following the Chair's proposal, the language that the Delegation could live with would be the proposal of a nominal contribution of 1 per cent of estimated income of the Contribution Financed (CF), the Hague and Lisbon Unions towards common expenses as an alternative to the currently applied methodology on the allocation of income and expenditures by unions. Then, in (Annex III, 2020/21 Allocation of Income and Expenditure by Unions), in that regard, following the format of iv.c, the Secretariat would prepare something like that. The Delegation then left it to the Secretariat to draft the rest with regard to that.

510. The Delegation of the United States of America wished to point out in response to the Delegation of Indonesia's point, that it was a proposed Program and Budget, noting that the Chair's proposal laid everything out very clearly. The Delegation did not see the need to add the word proposal again or proposed in paragraph iv.d. The Delegation was quite content with the way it was. The Delegation hoped there would be some time to discuss in the interim. The Delegation did not think that the language in the Chair's proposal needed readjustment.

511. The Delegation of Switzerland thanked the Delegation of Indonesia for being so creative. The Delegation thought it would be a good idea to make a distinction in the wording of paragraph iv.d, as compared with iv.a, iv.b and iv.c, that was, to single it out, noting that those were items that required further clarification and more information. Whereas for iv.d, there was a substantive fundamental difference of opinion. It would be correctly reflected by

the proposal put forward by the Delegation of Indonesia that also took on board a point that was important for the delegations, which was the current methods that were held dear would be referred to in this paragraph.

512. The Chair thanked the Delegation of Switzerland and repeated the Delegation's suggestion to separate iv.d from the other three issues because, in the Delegation's view, there was more disagreement over it. One possibility would be to take the language in iv.d to make it a new point, point v, and go with something along the lines of, "took note that there was no consensus on the proposed nominal contribution of 1 per cent of estimated income of the Contribution Financed, the Hague and Lisbon Unions towards common expenses, Annex III, et cetera. Further, the PBC requested of the Secretariat to prepare a version of Annex III based on the removal of the 1 per cent contribution and include that in the Q&A document. The Chair continued that because paragraph iv.d was taken out, it would need to state that the PBC would come back to it in the 30th session because it would be carried under that Chapeau at the start of iv. The Chair expressed that the start was the critical piece, which was to say a new v, took note there was no consensus on the proposed nominal contribution of 1 per cent and read as follows. Then it needed to have something about the Secretariat preparing information in the Q&A and would have to say the Committee would come back to it in the next session. The Chair opened the floor to see if that was broadly acceptable.

513. The Delegation of the United States of America stated that iv. mentioned that all four of the issues were outstanding, meaning that no consensus had been reached on them. Some needed more information. The Delegation expressed that it was quite content with the way it was written and did not want to break paragraph iv.d out alone as a new paragraph. All the statements had been made on the record.

514. The Delegation of Indonesia stated that it was not happy at all with the currently proposed wording on iv.d, and with regard to the constructive proposal, it might be able to accept it that but there was something missing in the proposal, which was as an alternative to the current methodology applied on the allocation of income and expenditure by unions.

515. The Delegation of Iran (Islamic Republic of) expressed its appreciation for the Chair's constructive proposal. It was far less than what the Delegation was looking for, noting that in the sense of compromise, it could live with the proposal because it showed that there was no consensus on that particular issue. Furthermore, it responded to the Delegation's request from the Secretariat to provide more information before the next session of the PBC with regard to that particular Annex.

516. The Delegation of China thanked the Secretariat for their excellent job by providing a relatively balanced solution in such a short period of time. The Delegation was quite satisfied with it. The Delegation also appealed to the delegations to adopt a constructive approach to discuss the Chairman's proposal so that the target could be achieved.

517. The Delegation of Italy noted there was no unanimity in rejecting the proposed nominal contribution of 1 per cent, and in the spirit of compromise, it would live with the Chair's proposal.

518. The Chair retook the floor to note that a little bit more work was needed and consultation amongst those most interested in that. The Chair proposed to briefly adjourn the meeting and asked those delegations that were particularly interested in the precise wording to gather at the podium to discuss how best to try and find a form of drafting that worked for everyone, noting that it would be more efficient to try and do it amongst a smaller group. After the break, the Chair returned to agenda item 6, the Draft Proposed Program and Budget for the 2020/21 biennium and to the decision under that agenda item. The Chair

noted that it had circulated an updated draft decision, during the break, based on his discussions with interested delegations. The Chair read out the revised draft decision. As there were no objections, the decision was adopted.

519. The Program and Budget Committee (PBC), having completed a comprehensive first review by Strategic Goal, as well as Annexes and Appendices, of the Draft Proposed Program and Budget for the 2020/21 biennium (document WO/PBC/29/3):

- (i) Agreed to the modifications proposed by Member States to Program Implementation Strategies, Risks and Mitigation Actions, Results Frameworks, Resource Explanations and Tables, Cross-Program Collaboration charts, and SDG references in Programs 1, 2, 3, 8, 9, 15, 16, 19, 20, 21, 23, 28 and 30;
- (ii) Requested the Secretariat to issue a revised version of the draft proposed Program and Budget for the 2020/21 biennium based on (i);
- (iii) Took note that the personnel costs for 2020/21 will be updated in the revised version of the draft proposed Program and Budget for the 2020/21 biennium to reflect the impact of the changes to the salary scale for Professional and higher categories with effect from January 1, 2019 and the new scale of pensionable remuneration for staff in the Professional and higher categories which came into effect on February 1, 2019 (impact amounts to approximately 3 million Swiss francs);
- (iv) Took note, inter alia, of outstanding issues in the following Programs for further consideration in the 30th session of the Program and Budget Committee:
 - (a) Performance indicator related to the translation of WIPO publications in all official languages (Program 19);
 - (b) WIPO Rewards and Recognition Program (Program 23). In this regard, the Secretariat will work with interested Member States, including organizing an information session as soon as possible, to make progress on the issue before the next session of the PBC;
 - (c) Digital time-stamping initiative (Program 28). In this regard, an expanded Q&A will be published as soon as possible before the next session of the PBC, addressing in detail the technical, legal and IP-related questions raised in the 29th session of the PBC; and
 - (d) Union allocation methodology used for the preparation of Annex III: 2020/21 Allocation of Income and Expenditure by Unions. In this regard, the Secretariat will include in the Q&A a version of Annex III without the nominal contribution of one per cent of the estimated income of the Contribution Financed (CF), the Hague and Lisbon Unions towards common expenses.

ITEM 7 UPDATED WIPO ACCOUNTABILITY FRAMEWORK

520. Discussions were based on document WO/PBC/29/4.

521. The Chair opened Agenda Item 7 concerning the updated WIPO Accountability Framework as set out in WO/PBC/29/4. He noted that the aforementioned document was an update to the original Accountability Framework provided in the 22nd session of the PBC in 2014. The Chair gave the floor to the Secretariat to introduce item 7.

522. The Secretariat explained that the WIPO Accountability Framework presented the first comprehensive view of the components that provided assurance of the Organization's system of governance and accountability, not only to its Member States, but also to users and customers of the global IP systems, other stakeholders and internal staff. Since 2014, WIPO had engaged in a program of continuous improvement in the area of accountability to continue enhancements to the regulatory framework as well as by implementing technologically enabled strategies guided by industry best practices. The updated WIPO Accountability Framework brought together the various organizational accountability elements under seven broad areas, incorporating the five COSO components of: control environment, risk management, control activities, information and communication and monitoring. In addition to these five, the framework included components for planning and for ethics. The framework was also expressed in terms of the three lines of defense model where operational managers were defined as the first line of defense, the second line of defense was comprised management control activities established to strengthen and monitor the first line of defense controls, and the Internal Oversight Division were the third line of defense. External Audit, the Independent Advisory Oversight Committee and the governing bodies of Member States provided further oversight. This comprehensive and updated Accountability Framework was presented to Member States in line with the decision in 2014 for endorsement in respect of the format of the presentation in accordance with the seven components outlined therein. In line with the Secretariat's interactions during the informal Regional Group briefings, no specific approvals or new approvals of any policies were being sought through this proposal. It was simply a collection of the existing Accountability Framework in a visible and structured manner for Member States' reference and information. The Secretariat emphasized that there was no approval being sought for any policy that was referenced in this document.

523. The Chair thanked the Secretariat for the introduction and opened the floor for questions or comments.

524. The Delegation of Croatia, speaking on behalf of CEBS, thanked the Secretariat for the preparation of the updated WIPO Accountability Framework, and noted that indeed, accountability was crucial for good organizational management within the UN system as well as within WIPO. Given the importance of accountability, CEBS requested further clarification on the differences between the current and the proposed updated Accountability Framework.

525. The Delegation of Canada, speaking on behalf of Group B, thanked the Secretariat for the preparation of the proposed updated WIPO Accountability Framework. Group B continued to attach great importance to accountability at WIPO and in the UN system, noting that accountability and its components were indeed at the very core of good organizational governance. While Group B noted that the proposed updated WIPO Accountability Framework proposed to update the current framework, which was based on three pillars, into a framework based on seven components, Group B welcomed a brief outline by the Secretariat of the key differences between the current framework and the proposed update.

526. The Chair invited the Secretariat to respond to the specific questions from the Delegation of Croatia and the Delegation of Canada.

527. The Secretariat noted that it was pleased to present the update of the Accountability Framework to the Committee. There were a number of areas where significant progress had been made in the underlying elements of accountability, which were noted in the document with a progress icon. As examples, the Secretariat highlighted the area of risk management, where tremendous progress had been made over the past five years, embedding it in the Organization's planning processes, ensuring that it was part of the reflexes of the Organization and its Program Managers in terms of planning, implementation and monitoring activities. A very clear and comprehensive IT system had been put in place to record WIPO's corporate risks. The Secretariat noted that significant work had been done both in terms of updating the policy framework and in terms of the process integration and IT risk systems. The document made note of improvements to performance monitoring, information security management, organizational resilience and business continuity management. The document also noted significant progress in the way the Secretariat reported on the progress made in terms of the implementation of the JIU recommendations. WIPO was assessed as joint first with ICAO in respect of its ability to provide Member States with updates on what had been done in respect of JIU recommendations. Informal conflict prevention mechanisms had also been further developed. A relay system had been introduced by the Ombudsman whereby a number of staff members were contributing to informal conflict resolution with their colleagues. The internal control framework had been expanded upon with regard to the use of the IT risk management system. That system was used for internal control recording, both entity level and process level controls, to provide evidence-based sign off for Management Representation Letters and the Statement of Internal Control provided to Member States, stakeholders and the External Auditors, to give a view of which controls were in place in the Organization. Segregation of duties and roles were recorded in an automated system put in place in the previous two or three years in a way that ensured full integration across the different elements of the Organization's ERP system. Anti-fraud controls had been strengthened significantly over the past year, and a comprehensive fraud risk assessment exercise was undertaken in 2018. The anti-fraud policy had been updated and a new fraud awareness training had been launched the previous week. The Secretariat mentioned that significant progress had been made in many areas as indicated specifically in the document. The Secretariat offered that it would be more than happy to provide more details on any specific areas that were of interest.

528. The Chair thanked the Secretariat and opened the floor for any further questions or comments.

529. The Delegation of the United States supported the statement made on behalf of Group B. The Delegation thanked the Secretariat for the report and confirmed support for UN organizations effectively strengthening and updating their Accountability Frameworks. It noted that the report stated that the Accountability Framework took into account recommendations from the JIU report Accountability Frameworks in the UN system and that the recommendations had been closed. The Delegation of the United States was pleased to see that some of those JIU recommendations and benchmarks were clearly reflected in the Accountability Framework. However, it found that it was unclear whether recommendation 4, regarding the publishing of disciplinary actions taken by the Executive Head of the organization was reflected in the framework. It requested that the Secretariat describe how that recommendation had been implemented, especially since that recommendation had been recently expanded as recommendation 9 in the JIU report on similar policies and practices in the UN system. The United States was a strong supporter of manager compacts as an effective tool to hold management at all levels accountable for promoting a culture of accountability and ethical conduct. According to the 2011 JIU Report, the United Nations was the only organization to have included in its framework, a system of senior compacts with the Secretary General to hold senior management accountable for the results achieved or not achieved. It understood that the World Health Organization had also now implemented senior manager compacts. The Delegation requested more information about

how the Secretariat planned to incorporate senior manager compacts into the Accountability Framework. Finally, concerns were reiterated about the organizational performance reward, as this reward was provided to all staff members, regardless of their individual performance. The Delegation did not believe that this reward was aligned with the ICSC's recommendation on performance rewards or recommendation 5 of the JIU report on recognizing outstanding performance of staff members. Awards should be given to staff who were outstanding performers. Otherwise, awards would begin to lose their significance and could be perceived as an entitlement which would be contrary to the fundamental principle of rewarding an individual's performance. The financial scope and significance of that award required more transparency from the Secretariat as well as oversight of the administration of the reward by Member States. The Delegation wished to make clear that it did not endorse the organizational performance reward mentioned in Paragraph 15 and suggested that it may be more appropriate for the Committee to note the Accountability Framework instead of endorsing it. The Delegation of the United States said it welcomed suggestions from other PBC members about how to best proceed with the organizational performance reward in light of the proposal to include 2.8 million Swiss francs in the Program and Budget for 2020/2021 for this purpose. In particular, the US Delegation expressed interest in views on what the role of WIPO Member States should be in assessing organizational performance for the purpose of rewarding staff, and whether there should be established criteria that guided the determination to provide such rewards either to all or some staff. A key question that merited discussion was whether assessing organizational performance for the purpose of Organization-wide rewards should be a shared responsibility between WIPO leadership and WIPO Member States. The Delegation said it would not be fulfilling its oversight responsibilities if it were passive on the issue of overall organizational performance. It questioned whether another international organization undertook this practice. If so, then the question was asked of the experience at that organization. If not, the question was presented as to whether the experience of non-governmental or other organizations should be investigated. Another key question was the relationship to the principles underlying the common system for compensating staff at United Nations organizations and whether an organization-wide reward was consistent with the United Nations common system principles. In that regard, the US Delegation noted that the UN General Assembly, in Resolution 73/273, expressed serious concerns about the administration of the organizational performance reward in 2019. That expression of concern was a clear signal to proceed cautiously and with due care with respect to this issue. Another key question was how precise this assessment of performance should be. Was there an assumption that each WIPO program and segment of the Secretariat was also high performing, or should there be a more precise analysis that would become the basis for providing rewards? The US Delegation believed that there should be careful thought given to these questions, both to fulfill the responsibility to ensure good oversight of the funds provided through Member State contributions and applicant fees, and also to ensure conformity with the UN common system and WIPO's good standing in the system.

530. The Delegation of Mexico welcomed the exercise to update the Accountability Framework and highlighted the importance of it being done in a structured manner. It took note of the fact that the update of this framework had been done on the basis of the JIU recommendations and it encouraged the Secretariat to continue addressing the different JIU recommendations as they applied to WIPO. Furthermore, it drew attention to the interdependent nature of the seven components of the Accountability Framework. Progress that was made in one component, of course, could have had a positive impact on progress on the elements under another. However, the opposite could also be true, and the challenges that are faced in any of the seven components could also affect progress and good results returned in others. As such, the Delegation of Mexico wished to draw attention to the progress made in respect of component 2 on performance and risk management, and component 3 with regard to monitoring, oversight, complaints, and response mechanisms. It was noted that the Delegation of the United States of America already referred to the

methodology involved with compensation through rewards provided to the personnel of this Organization. It was said that this may be an issue that should be discussed in due time. The Delegation of Mexico also wished to draw attention to the formal and informal dispute resolution processes that could be used. It believed that in these two components, there was a need for greater efforts to be deployed. The Delegation understood that the document intended to illustrate where opportunities lay and the areas in which there could be potential improvements. The Delegation concluded by drawing attention to the fact that at a given point in time, it would be necessary to review at least these final two points in far greater detail.

531. The Delegation of India thanked the Secretariat for the presentation on the updated WIPO Accountability Framework. It said that the document looked comprehensive and well-structured and it fully supported all of the elements in the document, including component 6 on ethical standards and integrity. It said that this was particularly important as in recent months some Member States had received communications directly from certain WIPO staff members who were under investigation. It believed that the nature and content of such communications were not in the line with the standards of conduct for the international civil service. Hence, it requested WIPO to strictly enforce and implement the Accountability Framework in order to help in improving the overall governance of the Organization.

532. The Chair thanked the Committee for its patience and noted that there did not appear to have been any further requests for the floor. He said there was a good, comprehensive list of questions and then he handed the floor to the Secretariat in order to respond to the questions.

533. The Secretariat responded that JIU recommendation 4 had been implemented. The Director General published and continued to publish on a regular basis an information circular which contained all of the information related to disciplinary action. Therefore, JIU recommendation 4 was a fully implemented recommendation. The Secretariat then returned to the purpose of the Accountability Framework. It then stated that the document had achieved its purpose in the sense that the purpose and the aim of bringing together the Accountability Framework for Member States' consideration and for information, was to make available, in a single well-structured document, all of the elements of accountability that govern the functioning of the Organization. As many delegations had pointed out, that recommendation came from the JIU in the past. It was a best practice within the UN system of organizations and the Secretariat first published an Accountability Framework for Member States' consideration in 2014. Over the five years that followed, a number of improvements and changes had been made in respect of processes, underlying systems, and the policy framework, and document WO/PBC/29/4 was intended to update Member States on all of the different elements. In doing so, it was found the seven component structure was far more conducive to covering all of the comprehensive elements underlying accountability as opposed to the three components structure of the original document. The structure was one of the fundamental changes in this document. The Secretariat also said that it heard the Delegation of the United States of America's recommendation on a change in the wording of the decision, and left it to the Chair to guide the direction. The Secretariat proposed that on the specific examination of the rewards and recognition program, it would be helpful to return to that in the course of the Program and Budget reading the following day.

534. The Chair asked the members for proposals on what decision should be taken, if any, and put forward the clear suggestion from the Delegation of the United States of America to modify the action, for the PBC, to note the Accountability Framework. The Chair put that wording forth as a possibility. The Chair also noted that more than one Delegation raised questions around rewards and recognition and indicated that it was something he was advised by the Secretariat that it was very happy to answer questions on that and it may be more pertinent to address them the following day as part of the discussion under the Agenda

Item on the proposed budget for the next biennium. He said he expected at least a few questions on the matter the following day and the Secretariat were very much keen to explain and discuss it as part of that. The Chair opened the floor to see if there were any comments or further questions before moving on to the decision itself. The Chair said there appeared to be no further questions or comments. The Chair proposed to amend the proposed action in line with the suggestion of the Delegation of the United States of America. He stated the full language proposed was as follows: The Program and Budget Committee noted WIPO's Accountability Framework presented in accordance with the seven components of (i) results-based planning; (ii) performance and risk management; (iii) monitoring, oversight complaints and response mechanisms; (iv) control activities; (v) information and communication; (vi) ethical standards and integrity; and (vii) control environment.

535. The Chair then summarized that the change in the decision paragraph was essentially to substitute noted for endorsed. He also noted again that there was wide interest in the rewards and recognition program and that the Secretariat were keen to have that conversation but he suggested that it could be had the following day as part of the discussion on the next biennial budget. As there were no further comments, the Chair read out the decision paragraph, which was adopted.

536. The Program and Budget Committee took note of WIPO's Accountability Framework presented in accordance with the seven components of: (i) Results based planning; (ii) Performance and Risk Management; (iii) Monitoring, Oversight Complaints and Response Mechanisms; (iv) Control Activities; (v) Information and Communication; (vi) Ethical Standards and Integrity; and (vii) Control Environment.

ITEM 8 UPDATED WIPO RISK APPETITE STATEMENT

537. Discussions were based on document WO/PBC/29/5.

538. The Chair opened Agenda Item 8 concerning the updated WIPO Risk Appetite Statement as set out in WO/PBC/29/5. He noted that, similar to Agenda Item 7, the document was an update to the original Risk Appetite Statement provided in the 22nd session of the PBC in 2014. The Chair said that the proposed decision for Agenda Item 8 was to note the Organization's Risk Appetite Statement as set out in that document. The Chair gave the floor to the Secretariat to introduce Agenda Item 8.

539. The Secretariat explained that the Organization presented its first Risk Appetite Statement to Member States in September 2014 and that the present document served as an update to that original statement, reflecting the enhanced maturity of the Organization's risk management practices and risk awareness, as well as the evolution of its internal control systems, as also reflected in WIPO's Accountability Framework, as set out in the previous document that the Committee previously considered. The updated Risk Appetite Statement formed one element of a comprehensive Risk Management Framework which had been developed over the past four biennia and comprised the Risk Appetite Statement, the Policy on Risk Management, and the Risk and Internal Control Management Manual, and was under the responsibility of the Risk Management Group. Enterprise Risk Management at WIPO formed an integral element of the biennial and annual work planning processes, as well as encompassing risk assurance for business continuity, physical security, information assurance and third-party risk management. Risk appetite was defined as: "The amount of risk on a broad level that the Organization is willing to accept in pursuit of its strategic goals and expected results." The Organization's risk appetite was expressed in alignment with its Accountability Framework (WO/PBC/29/4) under the seven components of (i) results-based planning; (ii) performance and risk management; (iii) monitoring, oversight complaints and response mechanisms; (iv) control activities; (v) information and communication; (vi) ethical

standards and integrity; and (vii) control environment. WIPO's business model was unique within the United Nations system, a factor that was reflected in the statement, which, in turn, guided the Organization's approach to accepting certain residual risks in return for potential cost efficiencies, process efficiencies and innovation. Residual risks that exceeded the overall risk appetite of the Organization as described above, could only be accepted with the explicit approval of the concerned Program Manager and the Risk Management Group. In all cases of risks assessed with the residual medium- or high- risk exposure, the risks were systematically reported to the Risk Management Group. The statement proposed a relative continuum of appetite for risk taking in exchange for the chance of improved services, greater efficiencies and the achievement of the Strategic Goals and Expected Results. As the Secretariat previously noted, a number of improvements in risk management approaches, methodologies, systems and processes had been progressively introduced. All of the JIU benchmarks had been implemented and the Secretariat had gone beyond those benchmarks, also contributing to the development of the maturity model for the United Nations system as a whole through the work of the CEB and the HLCM.

540. The Chair opened the floor for questions or comments.

541. The Delegation of Canada said it was once again pleased to take the floor on behalf of Group B, and wished to thank the Secretariat for the preparation of the updated Risk Appetite Statement. Group B welcomed and supported the updated Risk Appetite Statement as an important improvement in terms of clarity and depth over the previous version initially presented by the Secretariat at PBC 22 in September 2014. Group B welcomed the prudent and realistic approaches outlined in the statement and it noted that the Organization's risk appetite crossed seven areas, identified in the statement, including as regards to the Organization's policy on investments. It understood that the Secretariat would continue to review the Risk Appetite Statement and update it as appropriate.

542. The Delegation of Croatia speaking on behalf of CEBS, thanked the Secretariat for the preparation of Document WO/PBC/29/5. It was very grateful for the updated and much clearer and in-depth version of the document from 2014. It noted with satisfaction the prudent attitude regarding risk appetite across the seven areas identified in the statement accords and especially on WIPO's policies on investment.

543. The Delegation of the United States of America took the floor in support of the statement made on behalf of Group B. The United States appreciated the Secretariat sharing the Risk Appetite Statement with the Committee. It noted that under performance and risk management, the Organization expressed a medium risk appetite for losses incurred in respect of the implementation of WIPO's investment policy. Typically, international organizations made low risk investments overall as they were not for profit companies and had a responsibility to ensure that the organization's resources were stable. Understanding that the investment policy did allow for some risk, the Delegation wished to receive further explanation as to the reason for the medium risk appetite for investment as opposed to low risk. The statement also mentioned that the Organization had a low risk appetite for any fraud in WIPO's operations, which the Delegation appreciated. Unfortunately, preventing any fraud from occurring in an organization was impossible. The Delegation of the United States of America wished to receive more information from the Secretariat on how it managed that risk, knowing that complete prevention was impossible, and whether it made efforts to recover lost funds due to fraud. It noted that the Organization had a low risk appetite for risks that could damage the Organization's reputation. In the Delegation's view, other risks identified in the statement could become reputational risks such as fraud and unethical behavior in a harmonious workplace. It would appreciate an explanation of how and which risks are identified as reputational and how the Secretariat believed risks that could damage the Organization's reputation were being mitigated effectively. Finally, it was pleased that the Secretariat had a low risk appetite for unethical behavior. The Delegation agreed that a code

of conduct and ethics policies and procedures could mitigate this risk. However, it encouraged the Secretariat to consider ethics training, outreach, and tone at the top as mitigation measures as well. Mitigation of unethical behaviors should include efforts that could elicit a cultural change in the Organization.

544. The Delegation of China welcomed the overall low risk appetite of WIPO. This showed WIPO's overall operation was stable and its development sound. Regarding the areas of medium risk appetite, for example, uncertainties regarding its ability to ensure that the appropriate resource and skills mix was available for the operational needs, the Delegation expressed hope that WIPO would formulate human resource plans adapted to global IP service needs so as to provide more timely, efficient and high-quality service to the users. In the area of high-risk appetite, for example, investing in areas that could provide significant improvement and innovation in the operations, the Delegation hoped that WIPO would play a full active role in solving the IP issues in new emerging fields while applying new technology in IP administration.

545. The Delegation of Canada was interested in clarification regarding how the Risk Appetite Statement was integrated into WIPO planning and programming as well as how it was enforced.

546. The Secretariat began by responding to the question regarding the proposed medium risk appetite in respect of investment losses. It said that the Organization's risk scale was extremely conservative, so the level at which a risk was considered high risk or a catastrophic impact was very early, and therefore, given the size of WIPO's investments, medium risk appetite was appropriate. The Secretariat recalled that the subject of investments was raised the previous week in the Regional Group briefings. The investments were guided completely by the investment policy. The Organization had the full investment governance mechanism established, including the availability of external investment advisors. The performance on investments was reported regularly to the IAOC. WIPO's External Auditors had no doubt audited the entire set of investment accounts and transactions. The Secretariat summarized by saying that the investment activities were entirely in line with the investment policy and any losses were entirely in line with the benchmarks. The Secretariat offered to provide more details should that be required. Regarding the question concerning how risk was integrated into the planning process, the Secretariat noted that risk management had to be embedded into the processes of the Organization, the regular planning, execution, and reporting processes, something that had been the focus of its risk management journey. The Secretariat was also sharing its risk management integration experience with other agencies. In the Program and Budget document risks had been systematically highlighted for each program, however, these were not all of the risks that the Organization managed. They were the key risks that merited being presented to Member States. Behind the Program and Budget risks existed a number of operational level risks which were all embedded in programs' risk registers. One of the biggest benefits of the improvements that had been made in risk management was evidenced when the Organization had a change of External Auditors. All of the efforts that the Secretariat had made: the risk information, the risk registers, the risk mitigation actions that had been identified, the assignment to owners, all came in very useful to establish the initial dialogue with the Organization's External Auditors. The Secretariat said it would next respond to the question concerning reputational risk. The Organization did not have a separate category for reputational risks - it saw reputational impact as potentially inherent in any risk. When the severity of a risk was assessed, in addition to the probability, the impact of the risk materializing was considered, including reputational impact. Many different types of risk could have reputational impact, for example, the risk of confidential material being disclosed, of staff members doing something that was not appropriate, or of communication risks in general. Reputational risk was not considered a risk category – it would be a very broad category if that was the case. Instead, reputational impact of all risks was considered

during every risk assessment. Therefore, if there was a need to mitigate in response to potential reputational impact, the mitigation action would address that specific aspect. The Secretariat said it would next respond to the question concerning fraud. In terms of fraud mitigation, that was also seen as a very broad area. When looking at fraud upstream, fraud prevention should be considered. The Secretariat said one needed to consider what could be done to reduce the occurrence of fraud. For example, there were legal constructs that could be put in place *vis-à-vis* suppliers. Policies could be put in place, which had been done internally, to ensure that certain types of transactions were considered carefully in addition to supplier behavior. The management approach was very important. The Secretariat continued that in addition to the controls, be those legal or specific policies that were in place, a focus had also been placed on fraud awareness raising, to ensure that staff were able to recognize fraud. The Secretariat noted that with the very close cooperation of colleagues in the third line of defense, internal oversight, a robust fraud awareness program had been put in place and rolled out. Those upstream elements focused on how to prevent fraud. Additionally, downstream, the accountability must also be in place: if fraud was detected then the consequences must be there. In summary, significant work had been undertaken on both upstream and downstream aspects and for specific fraud risks that were identified, including tailoring the mitigation action to the specific type of risk that had been identified and ensuring that all elements of the mitigation were addressed.

547. As there were no further comments, the Chair read out the decision paragraph, which was adopted.

548. The Program and Budget Committee (PBC) took note of the Organization's Risk Appetite Statement, as set out in document WO/PBC/29/5.

ITEM 9 FINANCING PLAN TO RESTORE THE COVERAGE OF LONG-TERM EMPLOYEE BENEFITS AT WIPO

549. Discussions were based on document WO/PBC/29/6.

550. The Chair explained that this document described a proposal to restore the coverage of WIPO's ASHI liability which had been significantly reduced as a result of the adoption of a new accounting standard, IPSAS 39. The Chair invited the Secretariat to introduce the paper.

551. The Secretariat explained that, during the 28th session of the PBC, some delegations had raised concerns on the funding risk of WIPO's ASHI liability, stating that this needed to be addressed, taking into account the Organization's good financial performance. In July 2016, a new accounting standard, IPSAS 39, was issued which replaced the corridor approach in respect of employee benefits. Under this new standard, previously unrecognized actuarial losses must be recognized in the statement of financial position. This change in accounting policy had the effect of increasing WIPO's ASHI liability within the financial accounts. Consequently, WIPO's 2016 ASHI liability was restated under IPSAS 39 to 320.9 million Swiss francs as compared to an amount of 154.3 million Swiss francs previously recognized under the corridor approach in the 2016 financial statements. The impact of adopting IPSAS 39 had been to reduce the coverage of long-term employee benefits from 49.7 per cent in 2014 to 38.3 per cent by the end of 2018. Leaving employee benefits insufficiently funded risked exposing the Organization to an exponential increase in cash requirements which could place a strain on future budgets. In order to realign to the decision adopted by the 51st Series of meetings of the Assemblies of the Member States of WIPO, an amount of approximately 38.3 million Swiss francs would be required to restore the coverage to its initial level of 50 per cent. WIPO had accumulated reserves as of December 31, 2018, of 328.7 million Swiss francs and its short-term liquidity position was healthy. The

use of the budgetary surplus to restore the coverage of long-term employee benefit liabilities would not result in the reserves and working capital funds falling below the target level.

552. The Delegation of Canada, speaking on behalf of Group B, wished to thank the Secretariat for the preparation of the proposed financing plan to restore the coverage of long-term employee benefits at WIPO. The sound management of the ASHI liability was an important concern for the Group who welcomed the attention that the Secretariat was giving to this issue. Looking at the table under paragraph 12 of the document, the Group said that it would be interested in receiving additional details as to why the coverage of the ASHI liability was lower at WIPO than in the other organizations mentioned which had presumably also implemented IPSAS 39. The Group was also interested in knowing how the proposed plan compared to approaches followed in other UN organizations, especially in view of the need for a system-wide common approach to this important issue. With this caveat, the Group said that it could support the proposed financing plan.

553. The Delegation of Croatia, speaking on behalf of the CEBS Group, thanked the Secretariat for the preparation of the draft financing plan to restore the coverage of long-term employee benefits at WIPO. It also thanked the Organization for the sound management of the ASHI liability as well as for applying the IPSAS 39 standard which assured better transparency and comparability within the UN system. At the same time, the Group said that it would appreciate clarifications from the Secretariat on why the ASHI liability coverage within WIPO was lower than in the other UN organizations.

554. The Delegation of Mexico had taken note of the issue of the coverage relating to ASHI and appreciated the document provided. It welcomed the initiative taken by the Secretariat to increase the coverage and considered this important for the financial health of the Organization. It was important to have the risk related to this subject covered within the benefits given to staff. The Group was interested in the answers that could be provided to the questions already put to the Secretariat.

555. The Delegation of the United States of America supported the transfer of 38.3 million in the reserves to reduce the ASHI liability. It commended the Secretariat for its proposal to strengthen the financial stability of the Organization with this prudent and fiscally responsible action. The funding level would still only be at 50 per cent of the projected costs, therefore the Delegation urged the Secretariat to continue working with the UN Working Group to continue to seek solutions to this problem.

556. The Delegation of Switzerland thanked the Secretariat for preparing document WO/PBC/29/6. The long-term ASHI liability was a subject that required ongoing attention from WIPO. Given the current situation, the Delegation welcomed and thanked the Secretariat for increasing the coverage rate.

557. The Delegation of the Russian Federation thanked the Secretariat for the proposal provided on financing the long-term obligations. The question was not an easy one, it had been on the agenda of the Committee several times already. The Delegation had always supported the overall systemic approach to resolving this issue. The Delegation did not object to the proposed model but said that it would like to see a paragraph similar to paragraphs already contained in similar resolutions introduced into the decision. The Delegation wanted the decision to reflect the Secretariat's intention to continue to participate in the Working Group on ASHI and the Finance and Budget Network, and also the Secretariat's intention to study the specific proposals that were put forward by the Secretary General of the UN to the General Assembly. On the basis of those recommendations, the Secretariat would then come back to the PBC with a proposal on specific measures.

558. The Chair noted the suggestion made by the Delegation of the Russian Federation, whom it invited to provide specific language, if it had any. Otherwise, said the Chair, the Secretariat would try to capture the suggestion made in an additional line of the proposed decision paragraph for the Committee's consideration.

559. The Delegation of Brazil appreciated the work undertaken by the Secretariat in following up on the ASHI liability. The Delegation supported the proposed decision but had a question regarding the impact of how this would translate into a necessity of deciding every year on the increase in the amounts required to cover the long-term employee benefits. The Delegation asked if this would automatically be applied over the next years and requested more clarity on the impact and perhaps estimates for the next biennium, if available.

560. The Delegation of Canada, in consideration of the importance of ensuring a system wide approach, wished to echo the Group B statement and express its interest in how WIPO's management of ASHI liability compared with that of other UN agencies.

561. The Secretariat thanked all delegations for their questions to which it would try to respond in the order in which they had been asked. The Delegation of Canada on behalf of Group B had asked about the contents of paragraph 12 and why WIPO's cover was lower. This was partly attributable to the fact that, in the past, WIPO had implemented the corridor approach. When IPSAS was introduced, it was decided that this particular approach should be taken with regard to long-term employee benefits. There was a choice at that time within the IPSAS standard. The corridor approach meant that actuarial gains and losses were not recognized and, in that way, the results were less volatile. This was what was seen as being the advantage at that time. Since then, IPSAS 39 had been introduced and the option of not recognizing actuarial losses and gains had gone. Therefore there was no choice but to implement this new approach which meant that all actuarial gains and losses, and they were predominantly losses at that time given the market situation, had to be incorporated into the liability. Some agencies had never implemented the corridor approach. They had always taken the approach of recognizing all of their actuarial gains and losses and their liabilities were larger from the start when they implemented IPSAS, so they had always been trying to fund a much larger amount. This had not been the Organization's challenge and when IPSAS was first implemented, the liability only needed to be funded at a lower level. The liability had now increased because of the change in accounting policy, in order to comply with IPSAS 39. In terms of the question raised by the Delegation of Canada about how the Organization's management of ASHI compared with other agencies, the Secretariat explained that other agencies had been obliged to do the same as WIPO and drop the corridor method. As a result, they were faced with a similar challenge to now fund a larger liability. The practice of funding this liability did vary between agencies and depended largely on the business model of the agencies. Some agencies were very much more dependent on voluntary contributions and some of those had introduced a practice of charging for ASHI to donors. WIPO did not have the same level of voluntary contributions as sister agencies and could therefore not really generate very much funding from voluntary contributions but that was very much the practice among some other agencies. Again, on the management side, some agencies had always been trying to fund a much larger liability from the time they had implemented IPSAS. This also explained the question that was posed by Croatia about why the Organization's percentage of cover had fallen as compared to that of other organizations. This was because some other organizations had always been trying to fund a much larger liability because they did not adopt the corridor method and also some other agencies received support from the Member States at an earlier stage. Therefore, they had been funding their liability for a longer period and they had also been funding the liability in slightly different ways. So, again, on the subject of voluntary contributions, some of those agencies had obliged their donors to pay a certain amount to fund ASHI liabilities when they made their donations to the agencies in question. In response to the query about the Working Group, the Secretariat had been working with the ASHI Working Group as an active member

of that Group. The Group had submitted its final paper to the UN General Assembly and there were various recommendations which had come out of it. The Secretariat would be following those recommendations within the Finance and Budget Network, implementing them as and where it deemed it appropriate to do so and would obviously continue to participate in discussions on the subject. In answer to the question from Brazil, there was no suggestion that the Organization would be asking Member States for a top-up of funding every year or every biennium to bring the cover back to, for example 50 per cent. This was not the idea. The Secretariat reminded delegations that, when the first lump sum contribution to the ASHI funding was made in 2014, part of the proposal was that interest and dividends would be generated and these returns on funds would go towards funding the ASHI liability. In addition to this, there had been a 6 per cent charge on personnel costs over the last few biennia, with one exception, when it was reduced to 2 per cent. For the biennium 2020/21, the proposal was to increase the 6 per cent to 8 per cent. Going back to 2013/14, the proposal to fund ASHI included the idea of taking what remained of the 6 per cent, after various payments in connection with long-term benefits had been made, and putting that towards the funding of ASHI. This proposal gave rise to a practice which has continued since. In the 2020/21 Program and Budget the proposal was to increase the 6 per cent to 8 per cent. Again, the hope here was that, every year, there would be some extra money that could be put towards funding. So, rather than coming back to request large lump sums to be set aside to meet ASHI requirements, the hope was that the two elements combined, the surplus from the 6 per cent or 8 per cent and the monies generated from the investments of the funds put aside, would contribute towards keeping pace with the growth of the liability. There was of course no guarantee of this but it was definitely part of the strategy.

562. The Chair opened the floor to delegations for any further questions or reactions to the suggestion from the Russian Federation to expand the decision paragraph to include wording concerning the need for the Secretariat to continue to participate in the Finance and Budget Network, the ASHI Working Group, and to monitor and come back to the PBC with proposals, as appropriate.

563. The Delegation of the Russian Federation asked the Secretariat, taking into account the clarifications that had just been provided, if it had understood correctly that the nature of the decision being proposed would actually be different from the decision that was taken at the 51st Session of the Assemblies. At that time, a decision was taken about the 50 per cent funding of these long-term obligations, but over time this 50 per cent would actually be reduced automatically, it was not going to be continued at a 50 per cent level. The financing then stood at 38 per cent. From the latest clarifications received, the Delegation wondered if this 50 per cent would be a constant that would be automatically coming out of the reserves of the budget.

564. The Secretariat said that the proposal being put to the Member States was for a one-off contribution to bring the coverage back up to 50 per cent. It was then hoped that the investment of this money would generate some return and that there would also be some monies left from the 6 per cent or 8 per cent depending on whether Member States accepted the proposal in the Program and Budget. That money, together with returns on the money set aside, would be added to the funding levels. In this way, it was hoped that if it was not possible to keep pace with the growth of the liability, at least the level of funding would be increased. The practice of making large one-off contributions to bring the level of the funding of the liability up to a particular percentage was not intended to be a regular one.

565. The Chair read out the new proposed decision paragraph for the consideration of Member States, as follows:

The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned,

- (i) to approve financing to restore the coverage level of 50% of the long-term employee benefit liabilities at WIPO, amounting to a total of 38.3 million Swiss franc; and
- (ii) to request the Secretariat to continue to participate in the continued work of the Finance and Budget Network in matters related to the management of the ASHI liability.

566. As there were no further comments, the proposed decision was adopted.

ITEM 10 CLOSING OF THE SESSION

567. As there were no further requests for the floor, the Chair turned to agenda item 10, the closing of the session. The Chair invited the Secretariat to pass around the collated list of decisions. In line with normal practice, the list of all the decisions that had been taken that week were passed around. The Chair noted that nothing in that list should be a surprise because each of those decisions had been gaveled as the Committee had proceeded with its work that week. In the interest of full transparency and in line with usual practice, the collated list of decisions was distributed for the delegation's information. The Chair then called the meeting to order and invited comments on the list of decisions.

568. The Delegation of the Russian Federation stated that it did not have any objections to the list of decisions that the Committee had taken over the course of the week. Before closing the session, the Delegation wished to know the views of Member States on the language that the Delegation had proposed so as to understand where the Committee would be starting the discussion from on their proposal in July. Depending on what feedback the Delegation got from colleagues, the Delegation stated that it would perhaps take the floor again during this session.

569. The Chair stated that he was all in favor of entering the July meeting as constructively as possible so with members' permission, he would reopen agenda item 6. However, as the decision had been taken, the Chair did not propose reopening the decision. The Chair thought that following the intervention by the Delegation of the Russian Federation, the delegation would appreciate any preliminary feedback that other delegations had on their proposal. The Chair clarified that this was a proposal for two new KPIs. The first was the percentage of WIPO flagship publications for which the executive summary would be translated into all official UN languages, with a baseline of 62.5 per cent, 5 out of 8, and a target of 100 per cent. The second was the proposed KPI on the percentage of WIPO global publications on substantive IP topics published in 2020/21 and translated into all official languages. The baseline was naught percent in 2018, naught out of four, and the target was TBD, to be determined. The Chair paused briefly to see if delegations had any advice or feedback that they would like to put to the proponents of that suggestion.

570. The Delegation of Canada, speaking on behalf of Group B, thanked the Delegation of the Russian Federation for their proposal. Canada, in its capacity as coordinator for Group B, had had good discussions that afternoon on this issue with the delegation. The Delegation of Canada noted that it had not had a chance to coordinate on this matter in the Group, but would do so in the run-up to the next session of the PBC, where it looked forward to engaging on this issue.

571. The Delegation of China thanked the Delegation of the Russian Federation for the proposal. This proposal itself, in the Delegation's view, was very reasonable. In the meantime, the Delegation stated that it would also participate in the July session of PBC in a constructive way and hoped that at that time, with regard to the flagship publications' translation into all official UN languages, the delegations could agree on a percentage.

572. The Delegation of Croatia stated that it equally wished to thank the Delegation of the Russian Federation and the other countries for their proposals and thought it was a little bit premature at that stage, because the Committee was talking about an increase in the target. The Delegation noted that it would have a CEBS coordination in the meantime and would come to this issue in the next PBC in July.

573. The Delegation of Indonesia, speaking on behalf of the Asia and Pacific Group, recalled that on its coordination meeting the day before, the Group discussed the subject of languages. The Group thanked the Delegation of the Russian Federation for the proposal and the Group looked forward to a positive decision with regard to those new KPIs on languages by the July PBC.

574. The Delegation of Brazil thanked the Delegation of the Russian Federation for the proposal. The Delegation looked at it very positively and looked forward to discussing it at the July session.

575. The Delegation of the Russian Federation re-took the floor and stated that it would like to particularly single out the Secretariat for its very productive work done on this issue and thanked all the delegations for their support, that was, the delegations that had spoken on this issue. The Delegation hoped that in the intersessional period, the Secretariat would be able to possibly organize some sort of briefing for Member States, with a view to ensuring transparency in the process, and in the course of that briefing, the Delegation hoped that the Secretariat could supply more detailed information on possible financial implications related to that initiative and on any other remaining parameters so that by July, all Member States would have some sort of a full understanding of what was behind that initiative in terms of financial and other administrative consequences.

576. The Chair thanked the Delegation of the Russian Federation and stated that as Chair, he was all in favor of as much discussion informally as possible between the two sessions and was sure the Secretariat would be available to support the delegations in their discussions and engagement with the other interested Members in terms of building understanding between the sessions. The Committee would return to this formally in the July meeting. As there were no further requests for the floor, the Chair closed agenda item 6, turned to agenda item 10 and to the proposed list of decisions. The Chair noted that those decisions had already been gavelled so he would not reopen the floor for approval because they were approved. The Chair then paused for a moment to see if there were any comments or if something had been missed that had been already agreed. The Chair again noted that the proposed list of decisions should summarize the list of decisions that had been already taken. As there were no further requests for the floor, the Chair stated that that brought the Committee to the end of its substantive work for that week. The Chair said a very deep thank you to all delegations for their constructive and active engagement that week. It had been very much appreciated in his role as Chair. The Chair very much looked forward to working with the delegations between sessions and in the July meeting of the Program and Budget Committee. The Chair expressed that he also owed a very big debt to the Secretariat staff and, of course, that was firstly the Director-General and his team, including the many Program Managers that turned up that week and provided explanations, particularly on the Draft Program and Budget, and on a range of other areas. The Chair was very grateful to the interpreters and to the conference and language staff for all their support in preparing and running this meeting. On a personal basis, most of all he was deeply

grateful to Ambi, Chitra, Maya, Janice and Magdi and their teams for all of their support to him as Chair both in the run up to this meeting but also during the course of the week and in the days and weeks to come. The Chair thanked those who had traveled from the capital to be in the session and wished them a very safe and speedy journey home and to all, a very nice weekend. The Chair opened the floor for any final comments before closing the meeting.

577. The Delegation of Guatemala, speaking on behalf of GRULAC, was honored to take the floor and congratulated the Chair on the way that he had guided that meeting in carrying out good time management and ensuring understanding among all and to their positions. GRULAC also thanked all the members who had enriched the discussions with their proposals and contributions. GRULAC believed that it had managed to take important decisions on each of the agenda items taken up during that week. GRULAC also took the opportunity to repeat its thanks to the Secretariat for the way in which it had organized the meeting and also recognized the participation by all bodies of WIPO which were represented during this session and thanked them for their valuable inputs and explanations which promoted the taking of decisions. GRULAC looked forward, with interest, to the next meeting of the Committee organized for July and noted that its constructive spirit could be counted on already to come up with positive results which all aspired to in that meeting for this Organization. GRULAC thanked the conference services and the translation and interpretation services for their broad support throughout this meeting.

578. The Delegation of Indonesia, speaking on behalf of the Asia and Pacific Group, thanked the Chair for the efficient and effective way in which he had guided the meeting throughout that week and looked forward to continue to work with the Chair up to the July session of the PBC. The Group thanked the Secretariat, the Director-General, all the Program Managers, the ADG and everyone from the Secretariat for all their hard work and excellent work and support in making sure that they responded to sometimes the complicated questions or sometimes very simplistic questions. The Group thanked the conference services, interpreters, all Member States and Delegations for their flexibility and constructiveness which concluded the meeting on a good note.

579. The Delegation of Canada, speaking on behalf of Group B, thanked the Chair for his leadership that week and for his efficient management of their work. The Group acknowledged the Secretariat and particularly colleagues on the podium and their teams for their excellent work in advance of and during the session. The Group thanked the conference section, interpreters and translators. The Group welcomed the positive engagement and flexibility of all Member States that week and were glad to have made or be making progress on outstanding issues. The Group recalled that in its statement regarding the Draft Proposed Program and Budget for 2020/21, the Group had made specific requests regarding the WIPO Rewards and Recognition Program and looked forward to follow-up from the Secretariat on this important issue which remained outstanding. The Group looked forward to engaging with other Member States and the Secretariat in advance of entering the July session of the PBC.

580. The Delegation of Croatia, speaking on behalf of CEBS, congratulated the Chair and his Vice Chairs for his able guidance of the PBC 29. CEBS also thanked the Secretariat for all of their hard work on the preparation of different documents and to others. CEBS thanked the interpreters, the conference services as well different delegations for their active role during the PBC 29 week. The Delegation noted with satisfaction, the progress achieved at PBC 29 regarding the Program and Budget for the next biennium and especially on Programs 10 and 11 which were agreed without amendment. The delegation would be engaged constructively in the negotiations on the unresolved issues between the two PBC sessions as well as during the next PBC meeting to be held in July. CEBS wished all capital-based Delegates a safe journey home and enjoyable weekend to all the PBC 29 participants.

581. The Delegation of China expressed its appreciation for the leadership of the Chair. Under his leadership, the meeting was very practical and efficient and there was not even a single night session. For that, the Delegation really appreciated the Chair. The Delegation also thanked the Secretariat for his arduous work and for its professionalism which were very admirable. At the same time, the Delegation thanked the constructive spirit of all the delegations as well as their flexibility. Additionally, the Delegation thanked the conference service staff as well as the interpreters and translators for their work to help the delegations have the meeting run smoothly. The Delegation again thanked the Chair and the Secretariat. The Delegation stated that it would participate in the PBC 30 in a constructive manner.

582. The Delegation of Uganda, speaking on behalf of the African Group, firmly believed that the litmus test for the successful implementation of the WIPO Development Agenda and SDGs would be how both were implemented in practice. Mainstreaming DARs as well as SDGs in the Program and Budget by linking each program to SDGs and DARs reflected the strong positive ambition of the Organization towards implementation in practice. The positive ambition was also reflected in allocating more resources in the 2020/21 biennium to development activities and the strong assurances by the Secretariat that more resources would be allocated in development oriented activities as and when there was need. Overall the session had been a success and much ground had been covered. Admittedly, some issues remained outstanding, but the Group was very hopeful that at the next PBC session, Member States would be able to reach a common understanding and approve the Program and Budget. Before concluding, the Group thanked the Chair and his bureau for their excellent leadership of the Committee during the session. The Group also thanked the Secretariat for their technical support, and conference services as well as interpreters for their logistical support to Member States during the week. The Group also congratulated all delegations for their hard work, constructive engagement and flexibility during those discussions. The Group wished peaceful journeys to all delegations traveling back to their capitals. For those staying in Switzerland and those fasting for Ramadan, the Group wished them a pleasant weekend.

583. The Delegation of the United States of America supported the statement made by Canada on behalf of Group B. The Delegation appreciated the efficient manner in which the Chair conducted this meeting. His wise counsel and constructive suggestions had undoubtedly benefitted the Committee. The Delegation also thanked the Secretariat for not only producing the proposed Program and Budget, but also for making themselves available to field many questions. It went without saying how much was relied on the good work of WIPO's conference services and the interpreters for their invaluable assistance. The Delegation also thanked all delegations for their flexibility in making progress on many of the programs proposed under the Draft Program and Budget. The efficiency over the previous five days would allow the delegations to spend the time needed at the July meeting to resolve the remaining and more challenging programs under the Draft Program and Budget. The Delegation took the opportunity to raise two items. First, the issue of the budgets of the PCT and other fee financed unions was a separate matter from the problems caused by a fee financed union failing to abide by its treaty commitments of covering expenses and contributing towards the common expenses of the Organization. Each fee financed union had the legal responsibility to adopt a budget consistent with its treaty. In the current circumstances, where a decision needed to be made, it was unfortunate that the PBC membership could not agree to the Secretariat's proposal of a minimal symbolic contribution towards the sharing of common expenses. The allocation for the income and expenses by union was by its very nature a cross cutting issue among all WIPO programs. The Membership as a whole would be unable to make progress across all programs until this element was adequately resolved. The Delegation had signaled its displeasure with the freeriding by some unions in the current budget allocation since 2015 and it was unfortunate that the delegations still could not reach consensus on a proper contribution to the common expenses of the unions despite a clear direction from the General Assembly that was almost

two years old. The Delegation had shown flexibility in noting that the changes needed not occur immediately and had not insisted on proportional allocation of direct and indirect expenditures, but had noted that a gradual increase in shared expenses could be achieved over a long term. Unfortunately there had not been any similar flexibility shown by those members who continued to insist that no changes should be made to the allocation for the income and expenses by union. The Delegation could not support an allocation for the income and expenses by union that resulted in WIPO fee financed unions paying nothing towards the common expenses of the Organization. The Delegation could not approve a Program and Budget that would be violating the provisions of the WIPO Convention and the Treaties of the fee financed unions, all of which required cooperation and payment of the common expenses by all of the fee financed unions. This methodology was never intended to allow certain WIPO fee financed unions to act irresponsibly, neglect their treaty commitments, and get a free ride while claiming that they were an integral part of the organization. The Delegation expressed once more its displeasure with those unions with projected deficits not taking concrete steps in the Working Groups to examine measures to address these deficits. Second, on the rewards and recognition program, the Delegation looked forward to continued discussions with the Secretariat on the organizational performance award. The Delegation still had outstanding questions and concerns on this item. The Delegation asked that the Secretariat include in the Q&A for the next session, the miscellaneous income and proportionality scenarios as it had in past PBC sessions. The Delegation was happy to follow-up with the Secretariat regarding specific questions and hoped that an amenable solution for all could be reached on those two items as well as others during the July meeting.

584. The Delegation of the Russian Federation joined with the many delegations who had said warm words about the Chairman of the session. In the Delegation's view, the Chair worked extremely efficiently and this helped to come up with major important strides forward in agreeing on the Draft Program and Budget. The Delegation also stated its gratitude to the Secretariat for their active work in preparing the meeting documents and thanked the Secretariat for its support to the Delegation in finalizing its proposal. The Delegation also echoed the words of gratitude extended to the conference services staff, the interpreters and translators and the Delegation hoped that at the next session, success could be achieved. The Delegation wished everyone success and looked forward to the next round of constructive work.

585. The Chair thanked the Committee for their most generous comments about his work that week and declared the 29th session of the Program and Budget Committee closed.

[Annex follows]

ANNEX : LISTE DES PARTICIPANTS / LIST OF PARTICIPANTS

I. ÉTATS MEMBRES/MEMBER STATES

*(dans l'ordre alphabétique des noms français des États/
in the alphabetical order of the names in French of States)*

ALGÉRIE/ALGERIA

Nadji AICHE (M.), directeur, administration et moyens, Institut national algérien de la propriété industrielle (INAPI), Alger

Khaled DEBAILI (M.), chargé d'études, finances et comptabilité, Institut national algérien de la propriété industrielle (INAPI), Alger

Mohamed BAKIR (M.), premier secrétaire, Mission permanente, Genève

ALLEMAGNE/GERMANY

Jan POEPPPEL (Mr.), Counsellor, Permanent Mission, Geneva

ARGENTINE/ARGENTINA

German Edmundo PROFFEN (Sr.), Ministro, Misión Permanente, Ginebra

AZERBAÏDJAN/AZERBAIJAN

Gulara MUSTAFAYEVA (Ms.), Head of Department, Financial Economy and Supply, Intellectual Property Agency of the Republic of Azerbaijan, Baku

Rustam AGAYEV (Mr.), Head, Intellectual Property Analysis and Policy Department, Intellectual Property Agency of the Republic of Azerbaijan, Baku

BANGLADESH

Md. Mahabubur RAHMAN (Mr.), First Secretary, Permanent Mission, Geneva

BRÉSIL/BRAZIL

Cauê OLIVEIRA FANHA (Mr.), Secretary, Permanent Mission to the World Trade Organization (WTO), Geneva

Fernando CASSIBI DE SOUZA (Mr.), Adviser, National Institute of Industrial Property (INPI), Ministry of Economy, Rio de Janeiro

Aline SCHRAIER (Ms.), Intern, Intellectual Property, Permanent Mission to the World Trade Organization (WTO), Geneva

CANADA

Gabrielle DOLGOY (Ms.), Trade Policy Officer, Global Affairs, Ottawa

Nicolas LESIEUR (Mr.), First Secretary, Permanent Mission, Geneva

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Ping YANG (Ms.), Project Administrator, International Cooperation Department, China National Intellectual Property Administration (CNIPA), Beijing

COLOMBIE/COLOMBIA

Yesid Andrés SERRANO ALARCÓN (Sr.), Tercero Secretario, Misión Permanente, Ginebra

ÉGYPTE/EGYPT

Ahmed Mohamed Ibrahim MOHAMED (Mr.), Second Secretary, Permanent Mission, Geneva

ÉQUATEUR/ECUADOR

Heidi VÁSCONES (Sra.), Tercera Secretaria, Misión Permanente ante la Organización Mundial del Comercio (OMC), Ginebra

EL SALVADOR

Ana Patricia BENEDETTI DE RIVAS (Sra.), Ministra Consejera, Representante Permanente Alterna, Misión Permanente ante la Organización Mundial del Comercio (OMC), Ginebra

Diana HASBUN (Sra.), Ministra Consejera, Representante Permanente Alterna, Misión Permanente ante la Organización Mundial del Comercio (OMC), Ginebra

ÉMIRATS ARABES UNIS/UNITED ARAB EMIRATES

Abdelsalam AL ALI (Mr.), Director, Permanent Mission to the World Trade Organization (WTO), Geneva

Shaima AL-AKEL (Ms.), International Organizations Executive, Permanent Mission to the World Trade Office (WTO), Geneva

ESPAGNE/SPAIN

Juan José LUEIRO GARCÍA (Sr.), Primero Secretario, Misión Permanente, Ginebra

ÉTATS-UNIS D'AMÉRIQUE/UNITED STATES OF AMERICA

Howard SOLOMON (Mr.), Minister Counsellor, Permanent Mission, Geneva William LEHMBERG (Mr.), Deputy Counsellor, Multilateral Economic and Political Affairs, Permanent Mission, Geneva

Tarek FAHMY (Mr.), Director, Department of State, Washington

Karin FERRITER (Ms.), Deputy Chief Policy Officer, Office of Policy and International Affairs, United States Patent and Trademark Office (USPTO), Washington

Todd REVES (Mr.), Attorney Advisor, Texas Regional Office, United States Patent and Trademark Office (USPTO), Dallas

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Yasmine FULENA (Ms.), Intellectual Property Advisor, Permanent Mission, Geneva

Mark J. CASSAYRE (Mr.), Chargé d'affaires, a.i., Permanent Mission, Geneva

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Ivan NOVIKOV (Mr.), Third Secretary, Permanent Mission, Geneva

FRANCE

Francis GUÉNON (M.), conseiller, Mission permanente, Genève

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Edwige KOUMBY MISSAMBO (Mme), premier conseiller, chargé d'affaires a.i., Mission permanente, Genève

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[End of Annex and of document]