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## **Program and Budget Committee**

**Thirty-Eighth Session**  
**Geneva, May 19 to 23, 2025**

DRAFT REPORT

*Prepared by the Secretariat<sup>1</sup>*

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<sup>1</sup> Delegations represented at this session are invited to submit their comments, if any, to [controller.mail@wipo.int](mailto:controller.mail@wipo.int) by September 23, 2025.

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1. The 38<sup>th</sup> session of the WIPO Program and Budget Committee (PBC) was held at the Headquarters of WIPO from May 19 to 23, 2025.
2. From October 2024 to October 2025, the Committee is composed of the following Member States: Algeria, Argentina, Belarus, Brazil, Canada, Chile (2025), China, Colombia, Czech Republic, Egypt, El Salvador, Estonia, France, Germany, Ghana, Guatemala, India, Indonesia (2025), Italy, Japan, Kenya, Kyrgyzstan, Lithuania, Mexico, Morocco, Namibia, Nigeria, Pakistan, Panama, Peru, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Saudi Arabia, Singapore (2025), Slovakia, South Africa, Spain, Sweden, Switzerland (ex officio), Tajikistan, Tunisia, Türkiye, Uganda, United Arab Emirates, United Kingdom, United States of America, Uzbekistan, Yemen (53).
3. Members of the Committee represented at this session were: Algeria, Argentina, Belarus, Brazil, Canada, Chile, China, Colombia, Czech Republic, Egypt, El Salvador, Estonia, France, Germany, Ghana, Guatemala, India, Italy, Japan, Kyrgyzstan, Lithuania, Mexico, Namibia, Nigeria, Pakistan, Peru, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Saudi Arabia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Tajikistan, Tunisia, Türkiye, Uganda, United Kingdom, United States of America, Uzbekistan (46).
4. In addition, the following States, members of WIPO but not members of the Committee, were represented as observers: Albania, Armenia, Australia, Bahamas, Barbados, Belgium, Bolivia (Plurinational State of), Brunei Darussalam, Costa Rica, Côte d'Ivoire, Croatia, Cyprus, Denmark, Democratic People's Republic of Korea, Dominican Republic, Ecuador, Georgia, Hungary, Iran (Islamic Republic of), Israel, Jamaica, Kazakhstan, Kuwait, Latvia, Lebanon, Madagascar, Malaysia, Monaco, Netherlands (Kingdom of the), Paraguay, Serbia, Slovenia, Togo, Trinidad and Tobago, Ukraine, Uruguay, Viet Nam (36).

## **ITEM 1            OPENING OF THE SESSION**

5. Chair: Dear colleagues, dear Delegates, dear Friends, it is a great pleasure to see you. I would like, at the outset, to welcome you warmly to this 38<sup>th</sup> Session of the Program and Budget Committee. We have a succinct agenda, however, we need to devote adequate time to the first reading of the proposed Program of Work and Budget, therefore, we must collectively ensure that we progress as efficiently and effectively as possible to reach conclusions and consensus on all decisions. I take this opportunity to thank you for your time and engagement in the preparatory meetings in the lead up to this PBC session. I look forward to a week of productive work with you. I will now warmly welcome and invite the Director General to make his opening remarks.

6. Director General: Thank you, Chair. Good morning and let me welcome all of you to the 38<sup>th</sup> Session of the Program and Budget Committee. Let me begin by thanking our Chair, Ambassador Bilal Ahmad, and Vice-Chair, Jose Antonio Gil Celedonio, for their leadership and guidance in preparing for this session. I also would like to thank Member States and Group Coordinators for your extensive engagement leading up to this week. This has been our most extensive engagement prior to a PBC – a record 45 Member States responded to our survey, with many engagements with Heads of Missions, delegates, and heads of IP Offices in the past

few months. I thank all of you for your commitment to WIPO. I stand guided by the Chair's exhortation to be succinct, so I will outline only a few highlights from 2024, as well as what we are proposing for 2026/27. Four years ago, we were very grateful that WIPO Member States endorsed our Medium-Term Strategic Plan 2022-2026 (MTSP), giving us the guidance and support to demystify IP and bring it to the ground, ensure that IP touches all lives, especially SMEs, women, youth, and even Indigenous Peoples and Local Communities, be a place for important IP discussions, set IP standards and norms, provide superior data and insights, harness the power of IP to address global challenges and the SDGs, and, in general, make IP a catalyst for jobs, investments, growth, and development for all countries. Thanks to your support, we are seeing good results. 2024 was a historic year for WIPO, and in fact, tomorrow will be the one-year anniversary of the Diplomatic Conference for the WIPO Treaty on IP, Genetic Resources and Associated Traditional Knowledge. Six months later, we crossed another finishing line, adopting the Riyadh Design Law Treaty in November 2024. These historic achievements, achieved by consensus amongst all Member States, in a challenging environment for multilateralism, demonstrates that when we all come together as one global community, even with challenges, even with difficulties, we can achieve very much. These were major achievements not just for WIPO but for the international community and for multilateralism. I thank you all again for your hard work. Together we achieved history, we made a difference. Alongside these, much was also done in our areas of work in 2024. Let me briefly touch on some of the key areas. The first, which is captured in Pillar 1 of our MTSP, focuses on communication and engagement – making IP less mysterious, more relevant, and more relatable to people around the world. To do this, we have worked hard to find stories of people whose lives have been changed by IP. That's why last year WIPO produced 240 videos showcasing the amazing inventions, creativity, and innovations of your citizens. With these changes, and our strong efforts to reach out to laypersons, we now have over 550,000 social media followers, up 11 per cent on 2023. In our norm and standard setting work, Pillar 2 of the MTSP, the main achievements were the two new treaties. But WIPO also remained the global forum for the discussion of other IP issues, whether in the Committees or in other settings. One area where we stepped up our work in 2024 was our conversations on IP and AI. We are pleased these have grown from strength to strength. More than 12,000 participants from over 170 countries have joined our regular conversation held every six months. The insights generated are now being translated into new programs, projects, and tools to help Member States navigate the issues around IP and AI. We also continued to bring together Member States and experts in other emerging areas like in IP financing, patent analytics, and the participation of women and girls in the IP ecosystem – leveraging our ability to convene the world together in a safe, neutral, and professional space to talk about these issues. Work on IP enforcement also stepped up. Last year, we trained law enforcement officials on three continents and added thousands of IP infringing websites to WIPO Alert. We also advanced two new enforcement tools: WIPO Alert Pay, targeting pirate site financing, and started work on WIPO CRIS, which will help support Member States to deal with IP enforcement at their borders through a more sophisticated customs recordation system. Pillar 3 covers our global IP services, data, partnerships, and platforms. 2024 saw a return to growth in our IP filings. PCT filings rose 0.5 per cent, Madrid 1.2 per cent, and Hague 6.8 per cent. Use of our Arbitration and Mediation Center also grew by 25 per cent. But we don't take this growth for granted. That's why we formed the Future Growth Taskforce, focused on customer service, service excellence, and the marketing of our services. This will allow us to be more deliberate, organized, and proactive in how we drive growth. Our flagship Global Innovation Index, covering over 130 economies, continues to be used extensively by many thinkers, policymakers, and leaders in over 90 countries. Other reports include new Patent Landscape Reports on Agrifood and GenAI, as well as other important data that lets you, and your experts, understand the latest global

developments in innovation. Partnerships underpin all this work. Sixteen joint initiatives are underway with fellow UN agencies and international bodies. These include our trilateral work with the WHO and WTO, as well as our partnerships with the ITC in SheTrades and with Indigenous Fashion and the UNFCCC on the Green Technology Book, and with the UN CTCN on WIPO GREEN. And as a member of the SDG Group, we help to ensure that IP is used to harness innovation and creativity to help the global community achieve our SDG 2030 goals. Pillar 4 is about IP's power to transform lives through growth and development. Our work in the past 4 years have reached 400,000 youth, 300,000 women, and 200,000 SMEs. 150,000 learners were trained by the WIPO Academy last year, making a total of 620,000 over the past 5 years under this Administration. We have grown to become the world's largest provider of IP training services. We have also provided 150 initiatives for LDCs, and over 60 bespoke, grassroots projects were completed. 91 Members are using our IP Office Software or IPAS. 50 have benefitted from build back initiatives. Another 50 have received legislative and policy advice. And thousands of musicians have connected with CLIP, our online learning platform by musicians for musicians to learn about IP and how to use IP to earn a living as a musician. This is really where we ensure that our work reaches the ground in an impactful and visible way. In all, 79 per cent of our expected results are on track. And critically, we have delivered all these while maintaining WIPO's sound financial footing, ending the year with a healthy surplus once again. Dear Colleagues and Friends, building on the work before us, we have presented to you a Program of Work and Budget 2026/27. In designing this budget, we have paid special attention to the changing global climate, and have worked hard to design a budget that builds on the strong foundation of previous years, maintaining fiscal prudence while continuing to push strong and hard in making IP work for all. First, this is a budget for all countries. We have set aside 23.4 per cent of the budget to help developing countries lift up their IP standards, build innovation and creative ecosystems, bring IP to the grassroots, and help entrepreneurs, innovators, and creators in their country to use IP to succeed. I have to emphasize that when we speak of development work at WIPO, it is very different from development work in other UN agencies. WIPO is not in the business of giving handouts to our developing countries. And our developing countries do not want handouts. They want us to help build ecosystems where IP can thrive and where their innovators and creators can use IP to bring their ideas to market, lift up IP standards, and meet their aspirations. So we are very pleased to see strong uptake of our current build back fund or BBF, has been designed to help all countries to use IP to implement interesting projects in all Member States which brings the benefits of IP to those at the grassroots. As such, we propose to continue the BBF in the form of a Development Acceleration Fund. With the increasing dynamism of the CDIP, which has become an incubator for many of our successful programs, we are also increasing our funding for the Development Agenda work, raising the budget from 3 million to 4.5 million CHF. We are also going to continue with our LDC Graduation Package, which is already used by the Lao People's Democratic Republic, Sao Tome and Principe, and others, and which we hope to bring to other LDCs over the coming biennium. We are also continuing to invest in our ability to provide detailed, comprehensive and insightful data and statistics on IP and intangible assets, and its connection with economic competitiveness, trade, and finance, for example, through our partnerships with Harvard Kennedy School as well as the LUISS Business School, so we can help everyone understand and study the economics of innovation and creativity. Second, this is a budget for all innovators and creators. One of the most important areas of work at WIPO is our support for enterprises and entrepreneurs. Why? Because in every economy that we support, start-ups, spin-offs, SMEs, and entrepreneurs make up a huge majority of enterprises, with many of the most disruptive and innovative ideas emerging from this group. We are pleased that our support for these businesses has grown. Around 20,000 SMEs used our diagnostics tool last year – now translated in close to 30 languages – and, as I mentioned, 200,000 SMEs were supported in the

past 4 years. But we can do more. That's why we're proposing the Global Entrepreneurship Empowerment Program, or GEEP, a one-stop-shop to help firms know and identify IP; secure, protect, and register their IP; and, lastly, to grow and commercialize their IP. GEEP is structured, holistic, and adaptable, designed to help you complement your own support for SMEs in your countries. It is a blueprint to enhance competitiveness in domestic and global markets. At the same time, we are stepping up the quality and standard of our services to our users, which range from big enterprises who are heavy users of our services to disruptive innovators at the grassroots level. We have embarked on a plan to further enhance customer service and marketing and transform our internal business processes - delivering the most agile and responsive registries possible by smoothing processes, upgrading technology, improving customer care, and communicating the global access and value that our services provide. One other interesting initiative concerns our global TISC network. We want to help TISCs grow in sophistication and quality to become tech transfer offices, through a program where we measure their quality and design programs to help elevate them into TTOs. Third, this is a budget that is future looking but also focused on impact at the grassroots level. WIPO's work is never in a vacuum but driven by the transformation in the dynamic worlds of innovation and creativity. One growth area is in the creative economies and in sports. Our popular CLIP program—Creators Learn IP—will now expand beyond music into the visual arts. We are also developing a new creative economy data model to help you as Member States better map and measure your creative strengths in an age where digital innovation is creating new disruptions, new challenges, but also new opportunities for your creators. The model is already being implemented in the Philippines, Azerbaijan, Thailand and Trinidad and Tobago. This week we launch in Kyrgyzstan. Many other Members are expressing strong interest, and we look forward to accelerating the rollout. On IP and Sports, we are aware that next year is a big year of sporting activities, but our work is not just focused on FIFA or the IOC, but really helping athletes and sports associations to use IP to be able to sustain themselves. Work is really picking up in this area. Work is also picking up on the future of IP. We find that many IP Offices and colleagues are very focused on operational matters and don't always have the time to think ahead and to what the future of IP holds. So we're boosting not only our internal foresight capacities, but how we support IP Offices with "futures thinking" and strategic development. A major new Pathfinders Report is coming soon. We, of course, continue to support Member States in acceding and ratifying all treaties, including the two new treaties, so they enter into force swiftly and impactfully, strengthening the global IP architecture. Our role as a global convener will strengthen – AI and IP finance will continue to be priorities, alongside new forums for IT leaders in IP Offices, patent analytics and a new proposal to bring global IP prosecutors together to share best practices. But all of this work is focused on impact. And this is where we have ambitious targets. For example, we have set a target of 100,000 SMEs over the biennium, another 300,000 trained through the WIPO Academy, 80 grassroots projects, and see more tangible deployments and matches from platforms like WIPO GREEN, making sure that IP is seen as a solution to our global challenges and to achieving the SDG 2030 goals. All while implementing IP GAP and IP YES!, our strategies for women and youth. Behind the scenes, our team will continue driving efficiencies, cutting red tape, and leveraging technology, including AI, to support new ways of working. We will be ambitious in delivering a digital transformation that improves service delivery, strengthens cyber security, and advances areas like translation and multilingualism, critical to ensuring our work is accessible to all. Finally, this is a responsible and prudent budget. We recognize that WIPO's financial model is unique, and we manage it with discipline, prudence and care. We continue to leverage our strong governance, rigorous risk management, and internal controls to remain resilient and fit for the future financially. We have not raised Member contributions in over 25 years, and we do not see this changing. But let us be clear, we are entering a period of economic uncertainty. PCT and Madrid income projections

over the coming biennium are lower than in 2024/25. IP filings reflect broader economic trends, and we will continue to monitor developments closely. All in all, this is, therefore, a prudent budget. Spending growth is capped at a modest 3.2 per cent, and a zero-post increase policy is retained. Income projections are based on the 'low case' scenario from our Chief Economist, which builds an extra prudence buffer of around 6 per cent. We're also prepared to adjust our plans if global conditions worsen. Our promise is to stay alert and flexible, ensuring every Franc delivers the most value to you and the innovators and creators we serve together. We'll also maintain momentum on oversight. Only a few recommendations from the External Auditor, Internal Oversight Division, and Joint Inspection Unit are outstanding, and I thank our Auditors and Oversight Bodies for their commitment to WIPO. We pledge our commitment to working with them to continue strengthening our governance and internal structures. Other items on this week's agenda are all connected to our budget proposal and delivery of the MTSP. These include the Methodology for Allocation of Income and Expenditure by Union and the WIPO Estate Strategy – our plan not only for maintenance, but for ensuring that our building infrastructure supports our strategic objectives in a way that is sustainable, far-sighted, and efficient. As ever, we in the Secretariat are ready to support Members as you review the Draft Terms of Reference of the 2021 Evaluation of WIPO External Offices. On all items, I thank you in advance for your engagement and consideration. In conclusion, the week ahead will be packed with many serious discussions about to take place in this Hall. In the hustle and bustle of our work and even as we grapple with many technical details and line items, let us never forget our common vision of strengthening IP, bringing it to the grassroots, and harnessing its full potential as a catalyst of economic, social, and cultural development everywhere. Thank you very much. I wish you productive discussions this week.

7. Chair: Thank you, Director General. I must thank you for the opening statement as well as the kind words expressed to the Chair and the Vice Chair. I will now give the floor to Ms. Chitra Narayanaswamy to make an administrative announcement.

8. Secretariat: Very good morning and thank you, Mr. Chair, for the floor. You will see currently displayed on the screen, important contacts information for delegations. Proposals, questions and comments on the agenda items that delegates wish to submit to the Secretariat should be sent to [controller.mail@wipo.int](mailto:controller.mail@wipo.int), as shown on the screen. I wish to remind all delegates of the following modalities, which will apply to the conduct of this meeting. For those attending in the Room, requests for the floor will be as usual through the Delegation pressing the button on the microphone in front of you. The microphone will turn green to indicate that you are requesting the floor. When you are given the floor by the Chair, your microphone will turn red and you can start speaking. We kindly ask that you remain in the seats designated for your country. Our IT has been configured to the predesigned seating plan. Regarding interpretation and audio quality, please be aware that the job of our interpreters is even more challenging in a hybrid conference environment, so please try to speak slowly and clearly. To optimize the audio quality for all participants and interpreters, it is strongly recommended that remote participants enable their web camera when taking the floor, use a headset with an integrated microphone and limit the background noise when speaking. Delegates are encouraged to send their statements in advance to [interpretation@wipo.int](mailto:interpretation@wipo.int). For technical questions or issues, please send an email to [e-meetings@wipo.int](mailto:e-meetings@wipo.int), or reply to the joining instructions email you have received. If any of the interpreters encounter a problem with audio quality, he or she may be obliged to temporarily stop interpreting. If so, the interpreter will use the chat to inform us all. Thank you Chair.

9. Chair: Thank you, Chitra, for the administrative explanations and information. I don't see any Delegation requesting the floor or seeking any clarification. So, we will now proceed with Agenda Item 2, adoption of the Agenda.

## **ITEM 2 ADOPTION OF THE AGENDA**

10. Chair: I would like to remind delegations that this is a hybrid meeting, we have delegates in this room as well as delegates connecting remotely. In order to facilitate the review and discussions of the various items, the agenda has been structured in accordance with the following high-level grouping: 1. Audit and Oversight; 2. Performance and Financial Review; 3. Planning and Budgeting; 4. Items following decisions of 2024 PBC session and Assemblies of WIPO Member States. I will now open the floor for debate. And as a past practice, I believe the Group Coordinators would speak first. So, I will now open the floor. I see Japan requesting the floor on behalf of Group B.

11. Japan: Thank you, Mr. Chair. We would like to extend our thanks to the Director General for opening this session. This is much appreciated. Your leadership to ensure WIPO utilizes its budget prudently and effectively is important. Mr. Chair, Group B is confident in your leadership to guide us through the session of the Program and Budget Committee. We assure you of our constructive engagement throughout this week.

12. Chair: Excuse me, Japan, just pardon me I think we have opened the floor for adoption of the Agenda. So, the general statements would come later.

13. Japan: Okay. I understand.

14. Chair: Thank you very much. Repeating again, we have opened the floor on the adoption of the Agenda. If there are general statements, we will have an opportunity later. I don't see any request for the floor. So, we will take action on the Agenda. May I take it that the Agenda is adopted.

15. The Program and Budget Committee (PBC) adopted the agenda, (document WO/PBC/39/1).

16. Ukraine: Thank you, Mr. Chair. Honourable Director General, Dear Mr. Chair, distinguished Delegates. Ukraine would like to express its sincere appreciation to you, Mr Chair, your Vice-Chair, and the WIPO Secretariat for the excellent preparation of this Committee session. We recognize the importance of the PBC's work in implementing WIPO's Vision and Mission and commend the WIPO Secretariat for the progress achieved under the WIPO Medium-Term Strategic Plan 2022–2026. Ukraine hopes that the discussion on the proposed Program of Work and Budget for 2026/27 will be held in the spirit of respect for international law and in the understanding that the global IP community and economic stability cannot be maintained without consideration of broader global impacts and challenges. More than 3 years have passed since the Russian Federation launched its illegal, unprovoked and unjustified full-scale military invasion of Ukraine. Despite international calls for peace, including Ukraine's positive response to the US ceasefire proposals, Russia continues its brutal campaign against Ukrainian civilians, targeting residential areas and critical infrastructure. According to the Joint

Rapid Damage and Needs Assessment released in February 2025 by the Government of Ukraine, the World Bank, the European Commission, and the United Nations, the estimated cost of recovery and reconstruction in Ukraine has risen to 524 billion USD over the first three years since Russia's full-scale invasion. To put this into perspective, WIPO's total projected income for 2026/27 stands at 945 million Swiss francs. The scale of devastation dramatically surpasses WIPO's entire biennial income and highlights the challenges the international community and Ukraine must confront. Russia's war of aggression has intensified global challenges – causing massive environmental damage, crippling energy and food security, and leaving over 138,000 km<sup>2</sup> of Ukraine contaminated with mines. In this context, we must recall the repeated concerns expressed by Ukraine and many other delegations during the WIPO General Assemblies and previous sessions of this Committee regarding the lack of transparency in budgeting and operations of the WIPO External Office in the Russian Federation. We reiterate that the Russian Federation must bear the legal consequences of all its internationally wrongful acts and harassment against the IP community. We therefore call for the immediate termination of all funding and project activities in the Russian Federation and emphasize that the only viable way to restore justice is through the complete closure of the External Office in Moscow. Finally, we express our gratitude to the Secretariat and all WIPO members who continue to provide unwavering support and solidarity to Ukraine and our people. Thank you, Mr Chair.

17. Estonia: Thank you very much. Honourable Chair, Distinguished Delegates, Colleagues. Estonia is honored to deliver this statement on behalf of the members of the Central European and Baltic States Group. The CEBS members fully condemn Russia's war of aggression against Ukraine, which is a clear violation of international law. We demand to immediately end the military invasion to the Ukraine's internationally recognized borders. We express our grave concern at the alarming reports of continued attacks that are also targeted to destroy the civilian infrastructure and are causing suffering to the Ukrainian people. While this committee offers us an opportunity to discuss ways of enhancing the activity of WIPO in leading the advancement of an effective global intellectual property ecosystem to promote innovation and creativity, it remains important to reflect upon the negative impact of this brutal full-scale war, which for more than 3 years has caused unprecedented damage to the Ukrainian IP ecosystem and to the national institutions safeguarding IP development and protection. Under these circumstances, the operation of WIPO's Moscow External Office raises profound concerns for CEBS members, given the country's continued violation of international law and its commitments as the member of this community. The damages faced to the Ukrainian IP system are resulting from this unprovoked aggression by the same country. To conclude, the CEBS members reiterate our full support to the UN General Assembly Resolution ES-11/1, which deplored in the strongest terms the aggression by the Russian Federation against Ukraine. At the same time, we recall the UN GA resolution ES 11/4 condemning attempted annexation of Ukraine's territories being a clear international indication that no territorial acquisition resulting from the threat or use of force shall be recognized as legal. On behalf of the CEBS members, let me express our continuous support to the sovereignty and territorial integrity of Ukraine in its internationally recognized borders. We reiterate our solidarity with Ukraine and the Ukrainian people. Thank you very much.

18. Poland: Honorable Mr. Chair, Honorable Director General, dear Colleagues. Poland is honored to deliver the statement on behalf of the Group of like-minded countries and let me take a while to list the countries: Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom. For over three years of Russia's continued full-scale invasion of Ukraine, we have witnessed unprecedented human suffering and enormous destruction of the infrastructure. Russia's unprovoked and unjustified aggression against Ukraine has caused profound suffering to the Ukrainian people including children, women, and the most vulnerable ones. Despite ongoing international efforts aimed at ensuring comprehensive, just, and lasting peace in Ukraine, Russia continues the targeted attacks against civilians and infrastructure. Russia's war of aggression against Ukraine has caused massive destruction as well as serious and, in some cases, irreversible damage to civilian infrastructure. It has entailed severe drainage of the intellectual human capital of Ukraine which has, and for years will have, serious negative social, academic as well as economic implications. Its grave negative impact on the Ukrainian IP ecosystem has been reported by WIPO in document A/65/7. The consequences of the continued Russian war of aggression against Ukraine have undeniably aggravated the unfavorable economic and geopolitical situation globally having also a negative impact on the volume of IP filings and WIPO budgetary forecasts. We therefore welcome the decision made during the 65<sup>th</sup> series of meetings of the Assemblies of the Member States of WIPO under Agenda Item 18 titled Assistance and Support for Ukraine's Innovation and Creativity Sector and Intellectual Property System. At the same time, we are looking forward to the proper implementation of this decision and emphasize the need for WIPO's continued assistance which is critical for the recovery and rebuilding of the Ukrainian IP ecosystem damaged by the war. The Group of like-minded countries express solidarity with Ukraine. In this critical moment we stand behind Ukraine and the Ukrainian people and reemphasize our continued and unwavering support to the sovereignty and territorial integrity of Ukraine within its internationally recognized borders. We once again demand Russia to immediately stop its invasion of Ukraine, withdraw its troops from the whole territory and cease all violations of international law. For the countries on behalf of whom the statement is delivered, no business as usual would be possible within the multilateral cooperation framework, unless Russia and its leadership are held fully accountable for waging a war of aggression against Ukraine and for other more serious crimes under international law as well as for the massive amount of damage caused by its war. The like-minded countries express concerns with regards to the operations of the WIPO External Office in Moscow and for this reason would require further clarification about the reasons of retaining its budget at the unchanged level for the next WIPO budgetary perspective. The Group of like-minded countries support international efforts aimed at establishing a just and lasting peace in Ukraine with Ukraine at the heart of any discussions. We look forward to positive outcomes of this process leading to peace and Ukraine's full recovery. I thank you.

19. Switzerland: Thank you, Chair. Switzerland would like to thank you and the Secretariat for the preparation of this session of the Program and Budget Committee. Switzerland is in full and unwavering solidarity with the people of Ukraine. We condemn Russia's unjustified and unprovoked war against Ukraine in the strongest possible terms. Switzerland recalls the General Assembly's decision on document A/65/8 on assistance and support for Ukraine's

innovation and creativity sector and Intellectual Property system. Russia's attempt to annex the Ukrainian territories declared on September 30, 2022, violates the territorial integrity and national sovereignty of Ukraine. As such, Russia is violating international law. Therefore, Switzerland does not recognize the attempted annexation of Ukrainian territories into the Russian Federation. Ukraine's territorial integrity and sovereignty must be fully respected within the global IP system in line with the General Assembly's decision on document A/65/8. I thank you, Chair.

20. Australia: Thank you, Chair. Australia, alongside others, reaffirms our support for Ukraine and our condemnation of Russia's illegal invasion. Thank you.

21. Japan: Thank you, Chair. I would like to touch upon the situation in Ukraine in my national capacity. Japan condemns Russia's ongoing aggression against Ukraine. Regarding the situation in Ukraine, Japan hopes that the various diplomatic efforts which are currently ongoing will bear fruit and help achieve a breakthrough in the situation. Japan will continue to keep providing support to Ukraine. Thank you, Chair.

22. Russia: Thank you, Chair. The Russian Federation would like to take this opportunity to exercise its right to reply and state the following: Once again, participants at WIPO body meetings have had to bear witness to the abuse of the platform of the Organization from certain Delegations. For this small Group of countries, it really doesn't matter what body is sitting, what mandate it has, what items are included on its agenda, because from meeting to meeting, the story they tell changes in no way at all. However, the fact that WIPO has seen this become a kind of tradition does not mean that it is some kind of healthy practice and that it is in line with WIPO Rules of Procedure. What cannot be allowed as a norm are hateful statements, accusations without foundation, presentation of political and military reports and interminable political slogans. Russia will continue to foil attempts to skew what is happening on the ground in Ukraine. The Russian Federation is acting fully in line with international law, is continuing to conduct itself responsibly and in line with its obligations and remains a reliable partner. At the same time, in order to protect its interests and the rights of the people of the Russian Federation, it is willing to use all it has at its disposal in terms of possibilities and resources. Once again, we call on the respect of the mandate of the World Intellectual Property Organization, constructive dialogue and unpoliticized work. In this matter, we count on the support of the Secretariat and the Chair. There is no doubt that the statements do not in any way meet the mandate of the PBC and the attempts we are seeing are being used to politicize the work of the Committee and, therefore, they should be halted. Thank you.

23. Chair: Thank you, Russian Federation. I do not see any more requests for the floor. Dear Colleagues, the Secretariat has already shared with you the timetable, which is now being shared on the screen. Here it is. I am proposing to allocate time in the most judicious manner possible. We will begin today's session with general statements. I would like you to kindly limit the duration of general statements to three minutes for Group Coordinator statements made on behalf of their Group, and to two minutes per Member and Observer State delegations. Kindly note that you have the opportunity to state your position and engage on every item as we move through the agenda. If we move through the agenda more quickly than indicated in the timetable, I will naturally bring items forward accordingly. If discussions on a particular topic are not concluded in the allocated time the item will be kept open, and any outstanding discussions

will be taken up at a later stage. After listening to your general statements, we will proceed to take up the substantive item starting with Agenda Item 3: Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations. At the end of each day, we will take stock of the items covered and we will inform you of how we intend to proceed. I would like to accord a very high priority to the efficiency of our work and the timeliness of our sessions. We will start the morning sessions every day at 10:00 AM Geneva time sharp, going on until 1:00 PM and resuming at 3:00 PM for the afternoon sessions. Owing to the hybrid nature of the meeting, and interpretation requirements, we will need to close sessions at 6:00 PM. With this information, I will now open the floor for general statements with Group coordinators first and I will hand over the floor to the Delegation of Japan on behalf of Group B.

24. Japan: Thank you, Mr. Chair. We would like to extend our thanks to the Director General for opening this session. This is much appreciated. Your leadership to ensure WIPO utilizes its budget prudently and effectively is important. Mr. Chair, Group B is confident in your leadership to guide us through the session of the Program and Budget Committee. We assure you of our constructive engagement throughout this week. We also wish to thank the Secretariat for its diligent work in preparing the documents and organizing this session, especially given the breadth and complexity of the agenda before us. This session covers several critical items, including the Implementation of Joint Inspection Unit Recommendations, the WIPO Performance Report 2024, the Proposed Program of Work and Budget for 2026/27, the Draft Terms of Reference of the Evaluation of WIPO External Offices, and the Methodology for Allocation of Income and Expenditure by Union. Each of these agenda items raise important considerations related to the transparency, accountability, and effective functioning of WIPO. We note the importance of timely access to all relevant documents to facilitate thorough review and meaningful engagement by Member States as approved by Member States in the mechanism to further involve Member States in the preparation and follow-up of the Program of Work and Budget, WO/PBC/36/11. We appreciate the Secretariat's efforts in this regard and encourage continued improvement in document management and communication. Group B attaches particular importance to the sound financial management and oversight mechanism of WIPO. We welcome the progress made in implementing oversight recommendations and look forward to discussing the performance report and the proposed budget in detail. We will provide our substantive comments under each relevant agenda item as the session progresses. In closing, Mr. Chair, Group B is committed to constructive engagement and collaboration with all Member States to achieve positive outcomes for WIPO. We look forward to fruitful discussions under your guidance. Thank you, Mr. Chair.

25. Pakistan: Thank you, Mr. Chair. Pakistan has the honor to deliver this opening statement on behalf of the APG. At the outset, the Group expresses its confidence in your stewardship of this meeting. We take this opportunity to thank the Director General for his opening remarks and the WIPO Secretariat for the preparation of the reports for this meeting. The Program and Budget Committee performs a pivotal function as a governance body that deliberates on budgetary, auditory and strategic planning of the Organization. This Committee plays a central role in carrying out the mission of this Organization for the development of a balanced and effective IP system which fosters innovation and creativity for all. The Group is pleased to note that despite challenging global economic environment, WIPO continues to register an overall healthy financial situation with a projected surplus of approximately 7.6 million Swiss francs for

the 2026/27 biennium. The APG commends efforts to increase the budgetary allocation for development oriented and technical assistance programs as well as the introduction of a Development Acceleration Fund. The Group believes that the rise in development expenditure is not simply a tool to stimulate registrations and revenue streams but an investment which nurtures IP ecosystems and innovation for future generations. The Group supports further information and clarity on the classification of such development expenditure. The APG also appreciates WIPO's continued commitment to using IP as a tool to advance the SDGs. The Group believes that continued focus on carrying out development and impact driven activities should also be followed by robust frameworks to evaluate WIPO's overall contribution towards the achievement of the SDGs. Mr. Chair, the APG, is keen to partake in deliberations on the draft Terms of Reference for the 2021 Evaluation of WIPO External Offices and hopes that the Committee will be able to make progress on this important agenda item. We are of the view that in the process of drafting the ToRs all relevant documents, including the decisions of the General Assembly and the views of all Member States must be taken into account. The Group also hopes to engage constructively in the discussion on the Methodology for Allocation of Income and Expenditure by Union which is critical to ensuring sound management of WIPO's resources. The Group is of the view that all financial practices at WIPO must correspond to a contribution to promoting innovation and creativity for broad based socioeconomic benefit. To this end, we reiterate our commitment to contribute positively to the work of this Committee and assure you of our full support. I thank you.

26. Colombia: The Delegation of Colombia has the honor to deliver the following statement on behalf of the Group of Latin American and Caribbean countries, GRULAC. Mr. Chair, GRULAC congratulates you and the Vice Chair on your election to lead the deliberations of this new session of the Program and Budget Committee. We extend our full support to ensure that this meeting is productive and successful. We thank the Secretariat for the preparation of the working documents whose quality and clarity facilitate our participation in this and the next session of the Committee ahead of the Assemblies in July where the Organization's Program of Work and Budget for the next biennium will be adopted. In 2024, WIPO held two Diplomatic Conferences that resulted in the adoption of two new Treaties, the Treaty on Intellectual Property and Genetic Resources and Associated Traditional Knowledge and the Design Law Treaty. These achievements brought us great satisfaction and represented a significant step forward in the Organization's normative agenda. However, it is essential to redouble efforts and conclude other processes in which we have invested considerable time and resources. This is the case of the WIPO Broadcasting Treaty and the instruments under negotiation addressing the protection of Traditional Knowledge and Traditional Cultural Expressions. Advancing in these processes is crucial to addressing the challenges posed by digital transformation which generates both risks and opportunities that demand attention in all areas of Intellectual Property. In this context, GRULAC believes that the Standing Committee on Copyright and Related Rights should hold two working sessions per year on a permanent basis. This will allow for an adequate discussion of the numerous normative initiatives and for addressing the complex challenges arising from rapid technological developments. We also reiterate the need to strengthen the Intellectual Property ecosystem in our region by promoting policies, programs and capacities that enable our countries to fully harness the potential of Intellectual Property as a driver of economic, social and cultural development. Furthermore, we emphasize the importance of promoting greater cooperation, both among the Member States of our region and

with other developing countries. These cooperations inherent to the multilateralism that defines WIPO, benefits all users of the Intellectual Property systems, improving process quality and strengthening national capacities. We welcome the fact that the budget proposal includes a two per centage point increase in expenditure allocated to development which reaffirms WIPO's commitments to its Development Agenda. For GRULAC, this Agenda is a fundamental pillar to ensure that Intellectual Property systems are inclusive, balanced and reflective of the needs and priorities of developing countries, benefiting all. GRULAC also wishes to draw attention to the very slow implementation of the decision adopted in the 59<sup>th</sup> series of the WIPO Assemblies regarding the opening of new External Offices, particularly the lack of concrete terms of reference for the evaluation of existing External Offices. In this regard, we call for a frank dialogue to ensure the viability of this process. Additionally, GRULAC wishes to address the issue of funding the participation of Indigenous People and Local Communities in WIPO deliberations, particularly within the framework of the IGC. We are concerned that the current model based on the Voluntary Fund has lacked available resources for over a year, significantly limiting the effective participation of these key stakeholders. In this regard, we reiterate our call to Member States to consider adjustments to the existing model of the creation of new mechanisms that ensure the full and meaningful participation of Indigenous Peoples and Local Communities in WIPO discussions. Finally, we reaffirm GRULAC's commitment to contributing constructively to the deliberations of this Committee. Thank you very much.

27. Chair: Thank you, Colombia, for speaking on behalf of GRULAC. Before I give the floor to China, to remind all Delegations, we are going to follow three minutes for the Group statements and two minutes for national statements. Thank you. China, you have the floor.

28. China: Thank you. Congratulations on your election, and also the efforts that have gone into producing and publishing the documents as well as providing the information meeting on 28<sup>th</sup> April and also thank you for the opening speech of the DG. China recognizes that the work of the International Intellectual Property Systems has a key impact. , We have seen a surplus of 140 million Swiss francs and a record level of the net assets at 710 million Swiss francs at the end of last year which is a good basis for our Organization. WIPO's work last year also saw significant progress with the Diplomatic Conferences bringing the total number of Treaties administered by WIPO to 28. China has also taken note of the economic forecast estimating the volume of applications under the three main global IP systems. For this, we need a strategic vision for the future to improve the PCT, Madrid and the Hague Systems. That will be important to bring our systems and their functioning to a wider general public. All this is underpinned by a strong financial system, good governance and good management. We hope to contribute to the work of this Committee and enhance financial performance, improve transparency and strengthen internal oversight and accountability. We look forward to working with all parties and to participate actively in consultations across the range of subjects we cover. So, we are convinced that under your guidance, Chair, this meeting will be a big success.

29. Estonia: Honorable Director General, distinguished Chair, dear Colleagues. Estonia is honored to deliver this opening statement on behalf of the Central European and Baltic States Group. We thank WIPO Director General for his welcome remarks. Let me start by wishing you and your Vice-Chair all the success in your endeavours. You may count on the support and on the collaborative spirit of the CEBS Group. We also extend our thanks to the WIPO Secretariat for their preparatory work, especially for ensuring the high-quality documents and the

engagement with WIPO Members ahead of this session. In the context of the PBC session this week, the CEBS Group looks forward to fruitful, honest and constructive discussions, based on the presented documents, reports as well as proposals, being the basis of our work. The CEBS Group is grateful for the updated Progress Report on the Implementation of Joint Inspection Unit's Recommendations. We express our interest both in the presentation envisaged under this agenda item as well as discussion on the provisions in the document itself. We are awaiting insightful discussion on the WIPO Performance Report 2024, reflecting the financial performance and progress made towards achieving the expected results established in the Medium-Term Strategic Plan 2022-2026. The CEBS Group is ready to engage in this discussion. Most importantly, we are determined to contribute to the discussions of the proposed Program of Work and Budget for 2026/27, as presented in document WO/PBC/38/3. We appreciate that the proposed Program of Work and Budget has been prepared on time, and takes into account the inputs, comments and feedback received from Member States in their responses to the questionnaire. The proposal's key considerations - including investments in growth, customer service, the adoption of new technologies, and the reduction of administrative burdens - are of paramount importance, especially given that WIPO's budget is fully results-based. At the same time, it is vital that the allocation of resources is balanced, transparent and fully in line with the Organization's goals and priorities. We look forward to an in-depth discussion on the provisions of the budget, which should transpose into a plan for efficient implementation of the growth strategy. CEBS Members recognize WIPO's efforts aimed at consolidating its mandated work related to enhancing IP globally and creating new opportunities through IP, by expanding the potential of user-friendly IP registration systems along with new regulations and rules that promote IP protection globally. We commend WIPO's further engagement aimed at promoting the development of relevant registration filings, including the one related to GIs. At the same time, we see value in launching and developing various initiatives and programs, encrypted in the collective sustainable development efforts, which stimulate engagement of IP stakeholders. We therefore commend WIPO for its strategy that continues to catalyse growth and create opportunities for small and medium size enterprises, women innovators and creators, youth, academic and local communities. Many countries from our region have benefited from these valuable initiatives and see the need for their continuation and development. CEBS members also recognize the need for WIPO's greater engagement in addressing new challenges such as climate change, digital and energy transformation or IP related aspects of AI and other new inventions and technologies that can potentially change the global landscape for innovation and growth. As in the past, the CEBS Group will continue our active engagement in PBC work with a view to achieve constructive progress on the Preliminary Draft Terms of Reference of the 2021 Evaluation of WIPO External Offices. Likewise, we will actively participate in the ongoing discussion regarding the Methodology of the Allocation of Income and Expenditure by Union. The overwhelming majority of CEBS members continue to express their concern over the operations of the External Office in Moscow. We would value receiving from the Secretariat more detailed information about the activities and deliverables of the External Offices, which should be part of our discussion in the framework of the future WIPO Program of Work and Budget. Mr. Chair, in light of an intensive week ahead, let me reassure you once more of the constructive and substantive engagement as well as support of the CEBS Group in the work of this Committee. Thank you very much.

30. Namibia: Thank you, Chair, for giving me the floor. Namibia has the honor to deliver this statement on behalf of the African Group. At the outset, allow me to extend our sincere congratulations on your election to Chair this important meeting. We also thank the Director General for his insightful opening statement. IP plays a pivotal role in fostering innovation and development. For the African Group, a well-functioning and efficient IP system is crucial to support our country's development goals and the broader objectives of WIPO. In this regard, the African Group underscores the importance of the efficient and transparent financing of activities under the various WIPO Administrative Treaties. We have taken note of the report concerning the WIPO Estate and appreciate the continued efforts to improve infrastructure in a sustainable and cost-effective manner. The Group wishes to emphasize the need for a balanced and equitable approach to budget allocations under the proposed Program of Work and Budget for 2026/27. It is essential to consider the varying levels of development among Member States as well as the needs of different WIPO divisions and committees. This will ensure that all regions, particularly developing and least developed countries are adequately supported. In this respect, we appreciate the increase in the development share in the proposed Program of Work and Budget. Furthermore, we stress the importance of ensuring sufficient budgetary allocations to facilitate the effective participation of indigenous people in WIPO's activities. This inclusion is vital to the integrity and inclusiveness of the global IP system. Finally, the African Group stresses the need to continue WIPO's efforts in enhancing the geographical diversity in the WIPO workforce. Thank you.

31. Chair: Thank you, Namibia, for the statement on behalf of the African Group. Colleagues, we have listened to the statements from the regional Groups. I will now request the Distinguished Ambassador of Algeria to take the floor.

32. Algeria: Thank you, Chair. At the outset, Algeria would like to congratulate your Excellency Bilal Ahmad, on your election as Chair as well as your Vice-Chair for steering the work of this important Committee. We assure you of our full support. We also wish to thank the Secretariat for the excellent preparation of this session and for the comprehensive set of documents provided. My Delegation expresses its sincere appreciation to the Director General and his team for the high-quality documentation, particularly the clarity and comprehensiveness of the Proposed Program of Work and Budget for 2026/27 which is aligned with the Medium-Term Strategic Plan 2022-2026 as well as the WIPO Performance Report 2024. Despite the difficult circumstances the world is going through, WIPO has maintained a sound financial position and achievements, which we commend as a reflection of strong leadership and strategic foresight. Algeria reiterates its support for WIPO across all areas of its mandate. We value the Organization's strategic direction, and the results-based approach embedded in this biennial program. In this context, we particularly welcome the attention given to development-related activities and the increase in the budget allocated to development expenditure. We firmly believe in the role of Intellectual Property as a comprehensive tool to foster sustainable development and inclusive innovation. We emphasize the importance of the Development Agenda and its systematic integration into WIPO's work. We encourage the Director General to continue his efforts for its implementation and to ensure that WIPO's activities remain aligned with the Sustainable Development Goals. Moreover, Algeria encourages WIPO to further promote the empowerment of women, youth and small and medium size enterprises through its program and initiatives. We also call for equitable geographical distribution in WIPO's programs

and staffing and a continued focus on the specific needs of developing and least developed countries. Training, capacity building and technical assistance remain one of the priorities for our Delegation. Algeria also stresses the need for intensified efforts to bridge the digital divide and support digital transformation, particularly in developing countries. Mr. Chair, our Delegation encourages WIPO to continue leveraging its External Offices as a strategic platform to support Member States. We commend their contribution, and we are honored to host an External Office which plays a central role in strengthening cooperation between Algeria and WIPO. Finally, our Delegation is committed to engaging constructively in the discussions and looks forward to fruitful deliberations throughout this session. Thank you.

33. Chair: Thank you, Ambassador and thank you for the kind words expressed to the Chair and the Vice Chair. I will now give the floor to the Delegate of Egypt.

34. Egypt: Egypt's Delegation aligns itself with the African Group statement. We extend our congratulations to you, Mr. Chair and your Vice Chair and we are confident in your able leadership of this Committee. We thank the Director General for his opening remarks and the informative briefing on WIPO's work and the outlook of the proposed Program of Work and Budget. We also commend the Secretariat for its diligent efforts for the preparation of the session and continued engagement with Member States. Mr. Chair, throughout this week we look forward to engaging in a constructive discussion over important financial and administrative reports where our Delegation will share its views on the relevant agenda items. We commend the launch of WIPO's real Estate Strategy which aims to ensure effective and efficient use of WIPO estates both at headquarters and External Offices. Our Delegation has taken note of the WIPO Performance Report 2024. We welcome the fact that WIPO was able to maintain 50 per cent of the estimated income for this biennia in 2024 and we acknowledge the progress made towards achieving the expected results with 79 per cent of indicators reported as on track. We look forward to the full implementation of the WIPO program during the second half of this biennia in 2025. Mr. Chair, the Egyptian Delegation reaffirms its commitment to working with all Member States to adopt a Program of Work and Budget for 2026/27 that is financially sound, resilient and development oriented. We appreciate that the proposed budget is fully aligned with WIPO's four strategic pillars and its Medium-Term Strategic Plan 2022-2026. We also appreciate WIPO's continued commitment to its Development Agenda and the UN 2030 Sustainable Development Goals and welcome in this regard the increase in development share in the Proposed Program of Work and Budget which demonstrates the pivotal role WIPO is playing in fostering innovation and development. Thank you, Mr. Chair.

35. Iran (Islamic Republic of): Thank you, Mr. Chair. At the outset, my Delegation would like to join others in congratulating you and the Vice Chair on your election. We are confident in your leadership and assure you of our support during the 38<sup>th</sup> session of the Program and Budget Committee. We extend our appreciation to the Director General for comprehensive and insightful opening remarks. We also commend the Secretariat for its preparation and efforts in organizing this session as well as for the continued engagement on the key programmatic and financial matters. We align ourselves with the statement delivered by the Distinguished Delegate of Pakistan on behalf of the APG. Mr. Chair, this session takes place at a time when the international community continues to navigate global uncertainties and challenges. In this context, we recognize WIPO's continued financial stability and commend the Secretariat for its prudent management. We particularly welcome the emphasis placed on the development-

oriented programs and technical assistance initiatives that remain vital for developing and least developed countries. Mr. Chair, transparency, clarity and openness within WIPO, in particular on the budgeting process, are of utmost importance. We would like to see WIPO's budget and creativity for the economic, social and cultural development of all countries through a balanced and effective international Intellectual Property system. To achieve this objective, clear road maps of initiatives that effectively address the challenges are necessary. We are of the firm belief that Development Agenda recommendation should be regarded as a process that needs to be constantly mainstreamed in all WIPO activities and committees. In this regard, all WIPO bodies should take due account of those recommendations in their activities, in particular in their policy making decisions. Accordingly, taking account of this recommendation in the substantive program of this Committee for the next biennium is a key priority. We would like to reiterate the importance of ensuring balanced geographical representation across all WIPO sectors and activities, particularly within the composition of the WIPO staff in line with the recommendations of the Development Agenda. We note the Draft Terms of Reference on the Evaluation of WIPO External Offices as contained in document WO/PBC/38/5. We hope the Committee can make progress on this important and urgent agenda item and we look forward to constructive discussions that can facilitate an expeditious decision on this pending issue. To conclude, my Delegation looks forward to a productive session and tangible outcomes from this Committee ahead of the General Assemblies. Thank you.

36. Russian Federation: Thank you, Chair. The Russian Federation would like to extend a welcome to the Director General, Mr. Tang, his Deputy and Assistant Directors General and also the other colleagues from the Secretariat and the participants at our 38<sup>th</sup> Session of the PBC. We would also like to thank the Secretariat for having prepared the documents for the session and we would also like to welcome you, Chair, and the Vice-Chair. We hope that under your wise and impartial guidance, we will achieve a constructive discussion of the Program of Work and Budget for the next biennium 2026/27. What's particularly important to take into account is the renewal of the Medium-Term Strategic Plan and other not so insignificant issues on our agenda. From our perspective, we believe it's particularly important to look at the question of development and improvement of the international registration systems and other WIPO global services and also take into account promoting multilingualism and digital transformation policies. At the same time, we pay particular attention to the reporting functions of the Organization, including the collection and analysis of statistical data and forecasting of income and expenditure, as well as requirements and performance indicators applied to the international registration systems, in particular, and administrative and financial activities in general. It's also necessary to take a prudent approach to the provision of technical assistance. We very much hope that the Secretariat will continue to apply the principles of impartiality and openness. We welcome the positive results that have come from the two most recent Diplomatic Conferences, and we would focus on the importance of providing the infrastructure required for the appropriate application of these new Treaties. We would like to recall that one of the basic tasks of the Organization is to work for applicants and rights holders throughout the world, not allowing discriminatory practices, which run counter to the fundamental principles in the application of Intellectual Property. We should also avoid artificially politicizing the work of the Organization. Accordingly, one of the key strategic pillars of this Organization is Strategic Pillar 3, providing high quality Intellectual Property services, knowledge and data that deliver value to users around the world. This is an objective that cannot be achieved without an unconditional

extension of geographical scope and representativity and also the number of working languages of the Organization and its registration systems. Generally, the Organization and its External Offices continue to demonstrate positive financial indicators and continue to carry out its mandate. However, we hope that the Secretariat will continue to apply a pragmatic approach to planning and implementing the Program of Work and Budget. We would underscore that in planning the work of the Organization and applying decisions, it is necessary to take into account a long-term perspective and the strategic interests of all. Therefore, it is very important that decisions be taken without intentional and unfounded politicization and that the agreed Program of Work and Budget be implemented in its entirety. The Russian Federation is looking forward to constructive and substantive engagement on all items on our agenda and will be making a substantive contribution to discussions in this session of the Committee. We firmly believe that it is only with a healthy multilateral approach that we can achieve positive outcomes for the work of the Committee and as we work towards a balanced and effective Intellectual Property regime internationally. Thank you very much.

37. Colombia: Thank you very much. Since it's the first time I'm speaking in my national capacity, I should like to congratulate you, Chair, and I wish you a very successful meeting in this Committee. My Delegation should like to express its thanks and recognition to the Secretariat for the preparation and presentation of these working documents. Colombia believes that the proposed Program of Work and Budget for 2026/27 is aligned with our vision of IP as a driver for development. We welcome the prioritization of projects directed towards women, young people and SMEs as well as local communities and indigenous communities among others. We should also like to highlight the Development Acceleration Fund, and we trust that these initiatives will strengthen the capacities of countries. Colombia will actively participate in these projects. We welcome the information about the budget which will strengthen our ecosystem, in particular facilitating technology centers and technology transfer. This evolution will help us to better manage IP without any doubt. Since 2016, we have wanted to host a regional office for Latin America and the Caribbean. This initiative is not just our candidacy but also a strategic opportunity to bolster the IP system and our region. My Delegation believes that the evaluation of these External Offices should continue as such. We invite Member States to participate in this process, which is of great interest to our country and our region in particular. Thank you.

38. India: Thank you, Chair. My Delegation extends sincere appreciation to the WIPO Secretariat for its diligent preparation of this session. Also, congratulations to the Chair and Vice Chair for their election. The PBC remains pivotal to advancing WIPO's mission and by extension to developing a balanced and effective IP system that nurtures innovation and creativity for all. We welcome the Secretariat's proposed Program of Work and Budget for 2026/27. Despite prevailing global economic uncertainties, WIPO's robust financial projections are encouraging. We note with appreciation the continued commitment to the Development Agenda as evidenced by the two per centage point increase in the overall development expenditure over the previous biennium and enhanced allocation for technical assistance programs, thus underscoring WIPO's commitment to leveraging IP for achieving SDGs. Mr. Chair, Development Agenda principle 22 underscores that WIPO's norm setting should support the development goals agreed within the United Nations system. The Program of Work and Budget 2026/27 presents a timely opportunity to reaffirm WIPO's commitment to the development goals agreed within the UN system most

recently through the Pact for the Future. In this regard, my Delegation would like to recall the following action points from the Pact, that is action point 1: advancing the SDGs; action point 3: health and food security; action points 9 and 10: climate change and environmental sustainability; action points 27 to 33: science, technology and innovation capacity; and action point 55: which talks about global equity and cooperation. We also emphasize that the development-related expenditure in the proposed Program of Work and Budget should be seen as an investment in mainstreaming and nurturing IP in developing economies and by extension, a strategic investment in the future of IP. Finally, on the matter of External Offices, we regret the lack of progress on finalization of the Terms of Reference for the evaluation of existing External Offices. These are unjustifiably impacting requests by aspiring Member States who wish to use this facility to improve IP mainstreaming in their respective countries. We urge all Member States to delink the discussion on the ToRs from proposals for new External Offices, thus allowing WIPO to work on its core agenda of strengthening the global IP system in cooperation with the concerned Member States. Thank you, Mr. Chair.

39. Thailand: Thank you, Chair. At the outset, my Delegation would like to express our sincere appreciation to you, the Vice Chair and the Secretariat for your leadership and dedication throughout the PBC 38 and in preparing for this session. We are also grateful to the Director General for his opening statement and strong commitment to the Organization, to Assistant Director General Staines and to the Secretariat team for their efforts in preparing the working documents. Thailand fully supports the statement delivered by the Distinguished Delegation of Pakistan on behalf of the Asia and the Pacific Group. We attach great importance to the Proposed Program of Work and Budget for 2026/27, particularly the role of WIPO in advancing the Sustainable Development Goals. We remain committed to supporting WIPO's effort to ensure the Organization continues contributing to the achievement of these goals. We commend WIPO's ongoing work in areas that align closely with the global development agenda, including capacity building and initiatives related to IP and AI, IP and health, IP and finance and innovation. We also appreciate the Organization's continued focus on the needs and challenges of Member States, especially those in developing regions, including Thailand. Regarding the participation of Indigenous Peoples and Local Communities in the IGC, we recognize this as a vital issue. However, we note with concern that the Voluntary Fund currently faces financial constraints. We thank those Member States who have contributed so far and express our hope that a sustainable solution can be found to support the effective and inclusive participation of these communities. Thank you, Chair.

40. Brazil: Thank you, Mr. Chair. At the outset, the Brazilian Delegation would like to align itself with the opening intervention made by Colombia on behalf of GRULAC. Then Brazil wishes to thank the Director General of WIPO, Mr. Daren Tang, ADG Andrew Staines, and to congratulate yourself, Ambassador Ahmad, and the Vice-Chair for the work and leadership throughout this week of deliberations. Brazil wishes the Secretariat every success in conducting this session and in steering the important discussions scheduled for the coming days. We welcome the opportunity to participate in discussions that are central to the governance, transparency, and future direction of this Organization. We note with satisfaction the overall strong financial performance of WIPO in the year of 2024 as reflected in the WIPO Performance Report. The Organization has reported a substantial surplus, 140 million Swiss francs, largely driven by exceptional returns on its investment portfolio. Net assets reached 710.7 million Swiss

francs by the end of 2024; a remarkable 17.4 per cent increase compared to the previous year. This positive financial standing places WIPO in a unique position to advance its work in a more ambitious and inclusive manner, especially through the effective implementation of the WIPO Development Agenda and the United Nations Sustainable Development Goals and the 2030 Agenda for Sustainable Development. Brazil recognizes and welcomes the incremental progress made in integrating both frameworks into the proposed Program of Work and Budget for 2026/27. We appreciate the indication for each sector of relevant Sustainable Development Goals and Development Agenda recommendations. Nevertheless, we believe that greater transparency is still needed, particularly in terms of quantifying financial allocations toward these principles. We, therefore, encourage the Secretariat to go further in linking specific budgetary expenditures to individual expected results while clearly identifying their contribution to the SDGs and to the Development Agenda implementation. This would not only improve monitoring and accountability but would also reinforce WIPO's alignment with the values and goals of the broader UN system. In this context, Brazil reiterates its longstanding position in favor of mainstreaming development across all WIPO activities and programs. This includes safeguarding and strengthening budgetary support to areas that are critical to our shared development objectives, such as copyright and creative industries, including SCCR holding two sessions per year and its continued work addressing IP and AI challenges, technical assistance, capacity building and inclusive participation of Indigenous Peoples and Local Communities in norm setting processes, especially at IGC, promotion of gender equality and geographical balance distribution of WIPO staff positions. Brazil is pleased with increased budget allocation to development. The proposed rise from 21.4 per cent to 23.4 per cent of WIPO's total expenditures reflects a significant step towards strengthening the Organization's commitment to development-oriented initiatives. Finally, Mr. Chair, we trust that the discussions in this session will reflect a common understanding that the financial sustainability of WIPO must go hand in hand with its social and developmental responsibilities. Brazil remains committed to working constructively with all Delegations and the Secretariat to advance a Program of Work and Budget that is balanced, transparent and development oriented. Thank you.

41. Republic of Korea: Thank you, Mr. Chair. The Delegation of Republic of Korea congratulates the Chair and Vice Chair on their election and thanks the Director General for his comprehensive opening remarks and the WIPO Secretariat for preparing this 38<sup>th</sup> session of the PBC. We are pleased to note WIPO's continued financial stability despite global economic challenges. As most of WIPO's revenue comes from international application systems, maintaining high quality services under the PCT, Madrid and Hague systems are essential. The Republic of Korea remains a committed user and partner and will continue cooperating with WIPO to enhance these services. We also reaffirm our commitment to narrowing the IP gap between developed and developing countries, especially through the Funds-in-Trust work. However, the rapid advancement of AI risks widening this gap. The Republic of Korea continues to support IP capacity building in developing countries, including in the AI field and hopes our experiences can be shared widely through WIPO. The Republic of Korea is ready to engage constructively on all agenda items. Regarding External Offices, we express concern that discussions on the Terms of Reference have been in deadlock for several years. We believe that External Offices play a crucial role in enhancing the reach and impact of WIPO services and fostering stronger engagement with stakeholders at the regional level. We urge Member States to show greater flexibility and spirit of compromise and cooperation so that the ToR can

be finalized and progress made. We look forward to productive and forward-looking discussions during this session. Thank you.

42. Pakistan: Thank you, Mr. Chair. Pakistan aligns itself with the statement delivered on behalf of the APG. We thank the Director General for his opening remarks and sharing the strategic vision for WIPO's Proposed Program of Work and Budget for the upcoming biennium. Pakistan is pleased to note the overall healthy status of the Organization. This is a result of prudent financial and investment management which is key to long-term financial sustainability. We appreciate WIPO's efforts towards ensuring efficiency gains and cost-saving measures without compromising on programmatic ambition and development objectives. Mr. Chair, Pakistan supports the prioritization of capacity building and technical assistance in the Proposed Program of Work and Budget in line with the Development Agenda and the 2030 Agenda for Sustainable Development. We believe that the increase in the development expenditure and the establishment of a Development Acceleration Fund is reflective of a development-oriented and inclusive vision for the Organization. We support the need for development considerations to constitute a central place in the Organization's program delivery. My Delegation considers it pivotal that the allocated funds be utilized in further support of mechanisms that facilitate technology transfer and IP commercialization in developing countries to bridge the innovation gap. On the finalization of ToRs for the evaluation of External Offices, we look forward to constructive engagement based on the guiding principles adopted by the 2015 General Assemblies. In closing, Pakistan looks forward to constructive engagement with all Member States to achieve an inclusive and balanced Program of Work and Budget under your able guidance and leadership. Thank you.

43. Switzerland: Mr. President, Switzerland would like to thank you and the Secretariat for having organized this 38<sup>th</sup> session of our Committee. Given the geopolitical and economic climate, which is quite turbulent at the moment, it's clear that we, WIPO Member States, need to take a constructive approach to move forward together in an area of such importance for WIPO, as concluding the budget and program of work for the coming years. For the proposed Program of Work and Budget 2026/27, we need to ensure sufficient resources for the entire global system of IP registration, WIPO GREEN, which is key for disseminating green technologies, and cutting-edge technologies to allow WIPO to play a key role in integrating artificial intelligence. And you can ensure that in these endeavors you will have the full support of our Delegation throughout our session. Thank you very much.

44. Chair: Thank you, Switzerland. I do not see any more requests for the floor under the segment of general statements. So, I will proceed on the understanding that no other Delegation wishes to speak under the general statements. We will now proceed to Agenda Item 3.

### **ITEM 3            PROGRESS REPORT ON THE IMPLEMENTATION OF THE JOINT INSPECTION UNIT'S (JIU) RECOMMENDATIONS**

45. Discussions were based on document WO/PBC/38/2.

46. Chair: Dear Colleagues, you have the document titled, "Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations", document number

WO/PBC/38/2. This document provides the status of the implementation of recommendations addressed to the Legislative Bodies and Executive Head, respectively, of the World Intellectual Property Organization (WIPO), resulting from the reviews of the Joint Inspection Unit (JIU) from January 1, 2019, to February 28, 2025. All recommendations prior to January 1, 2019, have been closed. Before I pass the floor to the Secretariat to introduce the document, I would like to welcome the JIU Chair, Ms. Fernandez Opazo to the Program and Budget Committee session. You may recall that the 35<sup>th</sup> PBC session in 2023, requested that we invite the JIU Chair to future PBC sessions. I now invite Ms. Opazo to make a few remarks to the Committee.

47. Joint Inspection Unit Chair: Thank you and good morning. Members of the Committee, thank you for inviting the Joint Inspection Unit (JIU) to participate in this meeting. You have before you the progress report on the implementation of JIU recommendations and proposed action in respect to the recommendations from eight recent reports of the unit. The acceptance and implementation of the Unit's recommendations is a key indicator of the relevance, significance and quality of our reports. I am pleased to note that WIPO is among the participating organizations with the highest rates of acceptance and implementation. For the reports issued between 2016 and 2023, WIPO recorded an acceptance rate of 83.5 per cent, with 97.5 per cent of those recommendations already implemented. Turning to the Unit's work plan and delivery in 2024, the JIU released six products, three reports on system-wide reviews, one report on management and administration review of a single organization and two notes. The Unit applied the established process of consultation with the participating organizations to select the topics for its 2025 program of work. They include reviews on policies and practices for determining the rates of program support cost, strategic planning function, recruitment policies and practices, travel arrangements, data governance frameworks, decentralized evaluation functions and the management and administration review of UNESCO. For 2026, the Unit will follow a similar process which has just started. The Unit is cognizant of the need to revitalize the multilateral system and has requested the participating organizations to take this opportunity to contribute to the United Nations Secretary General's UN 80 Initiative. By proposing topics that align with the initiative's goals, particularly those aimed at enhancing efficiency, improving current arrangements and considering structural changes and program realignment across the United Nations system. I would be remiss if I did not mention the fact that several organizations are dealing with the effects of several funding constraints which might have a negative impact on the work of accountability and oversight entities in general. I would like to express my concern and point out that in times of financial austerity, the need for robust, independent and effective accountability and oversight mechanisms becomes even more critical. Furthermore, and mindful of financial constraints and liquidity challenges in most organizations, as part of its commitment to operational efficiency, the Unit is streamlining its outputs, making them more concise without compromising the depth and value of information our stakeholders rely on. This effort not only reduces production costs but also hopefully will make the decision-making process of governing bodies and legislative organs in regard to our reports much more agile. I would like to thank the members of this Committee for their attention to the work of the JIU. On behalf of the Unit, I also extend my appreciation to the WIPO Secretariat for their continued cooperation and collaboration in support of our reviews. Thank you.

48. Chair: Thank you, Ms. Opazo, JIU Chair, for your presence and remarks. I now pass the floor to the Acting Head, Governance, Risk and Compliance (GRC) Section, Mr. Simon Bower from the Secretariat to present agenda item 3. Mr. Bower, you have the floor.

49. Secretariat: Thank you, Mr. Chair. It is my pleasure to present a review on the status of the implementation of the Joint Inspection Unit's (JIU) recommendations addressed to Legislative Bodies and the Executive Head of WIPO. Since the last report submitted to the 37<sup>th</sup> PBC session in 2024, four new JIU Reviews were issued which were relevant to WIPO. These four reviews covered budgeting in organizations, implementation of the principle of mutual recognition, consideration of and action taken on the reports and recommendations of the JIU, and quality, effectiveness, efficiency and sustainability of health insurance schemes. Subject to the endorsement of Member States in respect of recommendations contained in the present report, there are three recommendations addressed to WIPO's Legislative Bodies and five recommendations addressed to the Executive Head, which remain open (under consideration or in progress). All other recommendations have been closed. Open recommendations are from 2019 to 2024. I would like to highlight some important developments regarding the recommendations: For the JIU report on "Budgeting in organizations of the United Nations system," both recommendations addressed to Legislative Bodies have been accepted and implemented. WIPO has maintained the same level of detail in its Program of Work and Budget presentation over several biennia, which includes the definition of the cost categories, and has continued this approach for the 2026/27 biennium. Regarding the "Review of the implementation of the principle of mutual recognition" WIPO fully supports the principle and applies this approach in our operations where it benefits WIPO's specific needs. We regularly collaborate with other UN agencies on common procurement initiatives and have integrated mutual recognition as part of our business model. Some examples are the UN security management system, joint medical services and shared IT services. Regarding the "Review of the use of non-staff personnel and related contractual modalities," WIPO has carefully considered the recommendations but finds that a single denomination across the UN system for all non-staff would be too prescriptive given the different contractual modalities, with different risks, constraints and contractual relationships across organizations. On the "Review of mental health and well-being policies and practices," this is considered implemented since WIPO has integrated mental health and well-being as a pillar under the Occupational Health and Safety framework. The WIPO HR Strategy identifies organizational culture as a key priority and mandates championing human-centric work-life policies and staff well-being. Concerning the "Review of policies, measures, mechanisms and practices to prevent and address racism and racial discrimination," WIPO has implemented the relevant recommendations through broader training programs and other initiatives and ensured that the recruitment system is designed to mitigate the risk of unconscious bias. The Secretariat has considered the six recommendations in the Note addressed to Executive Heads or the CEB and has determined whether they are either implemented or not relevant to WIPO. The status of several recommendations has been updated since the last report. Specifically, some recommendations previously under consideration have now been implemented, while others have been assessed as not relevant, as their implementation is pertaining to actions to be taken at the Chief Executives Board level rather than by individual organizations. I would also like to note that WIPO has continued to actively participate in meetings with the JIU, including productive engagement with the JIU Chair. We continue to value the recommendations and the knowledge exchange across the UN

System that the JIU brings. We thank the JIU for all their efforts and engagement with WIPO. Thank you, Mr. Chair.

50. Chair: Thank you, Mr. Bower, for presenting Agenda Item 3. I will now open the debate for any comments on this Agenda Item.

51. Delegation of Pakistan: Thank you, Mr. Chair. At the outset, the APG would like to commend the Joint Inspection Unit for its continued efforts in enhancing efficiency, accountability and transparency across the United Nations system, including at WIPO. We also thank the Secretariat for the comprehensive progress report on the implementation of the JIU recommendations. We particularly welcome the proactive manner in which WIPO has implemented a significant number of recommendations, including those related to budget transparency and standardization which underscore the importance of maintaining detail and coherence in budget classifications, flexible working arrangements and mental health and well-being strategies where WIPO has taken commendable steps to embed human-centered policies and health insurance sustainability and data protection reforms which have been guided by cost efficiency and privacy considerations. We also note the progress under review regarding mutual recognition across the UN system and cloud computing risk management, and appreciate the Secretariat's commitment to continued engagement through interagency mechanisms where recommendations extend beyond the Organization's ambit. Finally, we reiterate our support for the work of the JIU and encourage WIPO to maintain this positive trajectory of responsiveness while also fostering a culture of continuous learning and accountability. Thank you.

52. Delegation of Japan: Thank you, Mr. Chair. Group B welcomes the Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations as contained in document WO/PBC/38/2. We would also like to thank the Chair of the JIU for your presence which is of great value to our discussions on this important matter in this Committee. We note that since the last reporting period, WIPO has continued to make steady progress in addressing the recommendations issued by the JIU. As of February 2025, only a limited number of recommendations remain outstanding. Three addressed to WIPO's Legislative Bodies and five to the Executive Heads with all other recommendations having either been implemented, deemed not relevant or not accepted. We commend the Secretariat's ongoing efforts to facilitate timely responses to the JIU's reviews, questionnaires and interviews and keep Member States regularly informed of the status of implementation. Group B recognizes this role of the JIU as the only independent external oversight body mandated to review UN system organizations collectively. Its reports and recommendations are vital for enhancing management, promoting best practices and strengthening coordination across the UN system. We also note the JIU's recent focus on issues such as accountability frameworks, recruitment policies and data governance, many of which are relevant to WIPO's mandates and operational effectiveness. We encourage WIPO to maintain its momentum in implementing the outstanding recommendations taking into account the unique nature of its mandates. Group B stands ready to support WIPO in these efforts and look forward to further updates. Thank you, Mr. Chair.

53. Delegation of China: Thank you, Mr. Chairman. This Delegation wishes to thank the Secretariat for updating again the implementation status of JIU's recommendations and we feel satisfied with regard to the overall situation of implementation up to February 2025. Effective implementation of JIU's recommendations is conducive to a good governance of WIPO and a

better integration of WIPO in the UN framework. We would like to thank the Chair of the JIU for her explanation. China would also like to appreciate the work done over the years on JIU's recommendations. We would like to encourage the Secretariat, on top of implementing the official recommendations of JIU reports, to implement also the WIPO-related informal recommendations taking into account WIPO's own specialties and business situation. Mr. Chairman, I hereby would like to express our views on some concrete issues. First of all, we have noted that regarding the report of budgeting in organizations of the UN system, JIU/REP/2024/3, WIPO has expressed that it has maintained the same level of details in its Program of Work and Budget presentation over several biennia. The same level of detail will be maintained in the Proposed Program of Work and Budget for the biennium 2026/2027. Therefore, the Secretariat believes that this recommendation has been implemented. China wishes to recall the Program and Budget for 2020/21 as well as previous Program and Budgets. All of these Program and Budgets contained 31 Programs and details up to the level of divisions and a large amount of performance indexes. China would like to hear from the Secretariat the differences between the current Program of Work and Budget and the aforementioned Program and Budgets of previous years. Second, we have noted that the Secretariat is still considering whether or not to implement the three recommendations of the review of the implementation of the principle of mutual recognition within the UN system, JIU/REP/2024/3. The Secretariat has briefly expressed their positive views with regard to this part of work. However, this JIU report has indicated that at present 21 UN agencies has signed the mutual recognition statements, but WIPO is not one of those. We would like to hear the reasons from the Secretariat on that. Thank you very much.

54. Delegation of Estonia: Thank you very much, Mr. Chair. The CEBS Group would like to thank the Secretariat for the Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations as contained in the document WO/PBC/38/2. We are also grateful to the JIU Acting Chair for the participation at today's discussion. Both the report and presentation allow for a comprehensive overview of the status of implementation of recommendations addressed to the WIPO Legislative Bodies and to recommendations addressed to the Executive Head of WIPO, resulting from the reviews of the JIU during the period January 1, 2019, to February 28, 2025. We also appreciate the presentation in the document of the list of active JIU reports relevant to WIPO as at February 28, 2025. The CEBS Group acknowledges the progress made on the implementation of the recommendations. We reiterate the importance of the implementation of HR-related recommendations that were outstanding from past assessments, especially the reporting and monitoring of human resources management, flexible work arrangements and teleworking policies and the mental health and wellbeing of personnel. We also note that there are four new reviews issued since the last report submitted to Member States during PBC37. We encourage the Secretariat to continue its work to facilitate and coordinate responses to the JIU's questionnaires, surveys, and interviews in relation to ongoing and new reviews. The CEBS Group thanks the Secretariat for its proactive engagement in the process of the JIUs recommendations implementation. The close cooperation of IAOC with the Internal Oversight Division and other important actors is highly appreciated by the Group. We believe that this significantly improves the process of the implementation of the issued recommendations. Thank you very much.

55. Delegation of Mexico: Thank you very much, Chair. My Delegation would like to thank Carolina Fernandez, Chairperson of the JIU, for her presence , , and the Secretariat for facilitating the dialogue with the JIU. We welcome this kind of interaction which encourages accountability. We hope that this best practice will continue. We also celebrate the fact that there is open communication between WIPO and the JIU. We take note of the Secretariat's report, and we welcome, in particular, the update provided about mental health. We hope that in the annual HR report detailed information will be included about action undertaken in this field. More specifically now, Mexico would like to raise the following questions and comments: First, in Annex II, Recommendation No. 2 regarding the review of non-staff personnel, we take note of the Secretariat's response. We understand that non-staff personnel has different contractual modalities. However, we would like to know what the definition of 'non-staff' is within WIPO and if there is a substantive difference between that and 'affiliated personnel'. Does the difference have any legal implications? Second, again, Annex II, this time Recommendation 9 regarding a policy practice for mental health and well-being. We believe that the Secretariat's response is positive and pertinent. The approach that WIPO is currently applying responds to the principles of this recommendation. As such, we believe the status should be changed to accepted and it should be explained what measures the Organization is already undertaking. Third, we understand that some of the recommendations which are classified as non-relevant will be reviewed under the institutional coordination within the Chief Executives Board. We would be grateful if in the upcoming reports updated information will be included, notably if there is progress on these recommendations. As such, in the following reports, we believe that the status should be changed from non-relevant to under review and/or accepted and there should be a legend which mentions the implementation status that's not exclusive to WIPO. Finally, we would like to highlight the importance of WIPO's signature of the mutual recognition statement. We would also like to take this opportunity to ask Ms. Fernandez from the JIU if it would be possible to share tangible examples of how a body such as WIPO can benefit from mutual recognition or how its participation can add value to the United Nations system. Thank you.

56. Delegation of Nigeria: Thank you, Chair. The JIU progress report before us currently diagnoses three structural gaps that resonates profoundly with Nigeria. Persistent under representation of African nationals, especially at technical and decision-making levels and even protection and social benefits for non-staff personnel who are often the entry point for global South talent and the absence of disaggregated risk-sensitive metrics to hold managers accountable for equitable outcomes. The Nigerian Delegation wishes to categorically reject the notion that core equity reforms can be relegated to interagency processes. Labeling the anti-racism and other equity-driven recommendations as not under the sole remit of WIPO is in our view an abdication of responsibility. We therefore call on WIPO to accept every recommendation thus delivered and to translate them, especially the anti-racism curriculum into clear time-bound actions with publicly reported milestones. Leadership demands implementation, not deferral. On representation, we propose that WIPO sets time-bound public targets for recruiting and promoting African Group nationals across the professional streams with a dedicated pipeline for science and technology posts. On non-staff personnel, Nigeria welcomes the JIU's push for common minimum safeguards even in terminology. Even though terminology varies, WIPO can demonstrate ambition by publishing a clear matrix of rights, benefits and grievances channels for every contract modality by the next session. On accountability and culture, we encourage WIPO to be an early adopter of the JIU recommended

maturity model, self-assessment, making public the racial equity indicators and corrective actions. Anti-racism training must feature African microaggression scenarios and be complimented by an adequately resourced African and Afro descendent staff resource group. Finally, Nigeria stands ready to partner in whichever way it can, to ensure that WIPO's workforce reflects not only the map of Member States but the full spectrum of human potential. Equity delayed is innovation denied. Thank you, Chair.

57. Delegation of Russian Federation: Thank you, Chair. Thank you to the Secretariat for preparing the report on the review of the JIU recommendations and we particularly welcome the participation of the JIU Chairperson at the session of the PBC. We note the readiness and the high value that is added by the report of the JIU and we call on the WIPO Secretariat to fully participate in the work of the JIU and also provide the Committee with timely information. We also support the involvement of the JIU in the UN reform process, in particular the Secretary General's UN 80 initiative. The JIU's system-wide overview and expertise is particularly important in the process of renewing the UN system. Thank you.

58. Delegation of Iran (Islamic Republic of): Thank you, Mr. Chair. My Delegation associates itself with the statement delivered by Pakistan on behalf of the APG under this agenda item. My Delegation would like to take note and thank the Secretariat for the Progress Report on the Implementation of Joint Inspection Unit's recommendations as contained in the document WO/PBC/38/2. We acknowledge the reported progress achieved through WIPO's proactive and sustained efforts in implementing their recommendations. We also recognize that a significant number of recommendations have been duly implemented while others, have been accepted or are currently in progress. Although all the recommendations are important, we wish to welcome the implementation of recommendations on standard classification of objects and expenditure which lead to transparent budgeting processes and the recommendation on reporting on human resources management. These elements are critical to ensuring that WIPO programs and initiatives effectively support the needs of all Member States and at the same time facilitate the work of WIPO and its integration in the UN system. However, we note recommendations that are under consideration or in progress. In particular, strategies and measures to mitigate the risk of failure by cloud service providers. We urge the Secretariat to address these recommendations with a view to achieve tangible outcomes. To conclude, my Delegation encourages the Secretariat to continue providing detailed assessments of the outstanding recommendations for Member States' consideration and develop a timeline in order to swiftly implement the outstanding recommendations. Thank you.

59. Delegation of Brazil: Thank you, Chair. Brazil welcomes the opportunity to comment on document WO/PBC/38/2 and commends the Secretariat for its continuing engagement with the recommendations of the Joint Inspection Unit in alignment with the broader UN system standards and oversight mechanism. We recognize the Organization's general compliance with the latest JIU recommendations. In particular, Brazil would like to highlight recommendation number 3 of JIU's most recent report issued on January 6, 2025, which advises against reducing the level of details provided in the Program of Work and Budget proposals. Brazil strongly supports this recommendation, as transparency and comprehensiveness in budget documentation are essential to ensure informed, meaningful decision-making by Member States. While acknowledging the current implementation status of this recommendation that is mentioned as implemented in the referred report, Brazil sees room for further enhancement.

The results-based presentation of the budget, although conceptually appropriate, still offers only a high-level view of resource allocation per Expected Result. This structure limits our ability to fully assess the means and strategies employed by the Organization to achieve its objectives. In this regard, Brazil encourages the Secretariat to continue improving the budget's explanatory value by deepening the granularity of financial data linked to each result, providing more specific indications of how resources are distributed across concrete activities which would strengthen Member States' capacity to exercise strategic oversight and to assess alignment with WIPO's priorities, including those enshrined in the Development Agenda. We trust that WIPO will continue striving toward the highest standards of accountability and transparency in line with its status as a specialized agency of the UN system and in line with its responsibilities before all its Member States. Thank you, Mr. Chair.

60. Delegation of Canada: Thank you, Mr. Chair. Canada supports the statement made by Japan on behalf of Group B. We support the work of the JIU and appreciate the constructive relationship between WIPO and the Joint Inspection Unit. Canada welcomes the progress made in the implementation of recommendations resulting from the review of mental health and well-being policies and practices in the UN system's organizations. With respect to Recommendation No. 9, JIU/REP/2023/4, Canada would appreciate more information on how WIPO's current approach allows for the identification and minimization of barriers to accessing psychosocial support services in a manner that is equivalent to the JIU's recommendation and if it is the case, how does the framing of that recommendation prevent WIPO from accepting it? Regarding recommendations from the review of the use of non-staff personnel and related contractual modalities in the UN system organizations and taking note of the assessment provided in JIU/REP/2023/8, Recommendation No. 2, can the Secretariat clarify how it designates personnel that would be included in the phrase "affiliate personnel," taking note of the phrase "temporary staff," which is used in the Program of Work and Budget, and how this nomenclature is more appropriate in the context of this Organization? Could the Secretariat also provide examples of such personnel, past and ongoing, that do not reflect the definition recommended by JIU? Canada would appreciate the Secretariat's view on how the shortcomings of a single designation and definition for non-staff personnel in WIPO's specific context outweighs the benefits identified by the JIU review, such as harmonization and coherence in the management of this category of personnel across the UN system. Finally, regarding recommendations from the review of accountability frameworks in the UN system organizations under the report in JIU/REP/2023/3, Recommendation No. 3, Canada would be grateful if the Secretariat could provide an update on the review of WIPO's accountability framework, including preliminary findings, if available, and indicate what changes would be required for WIPO to be able to perform the costing exercise recommended by JIU per Recommendation No. 3. Thank you.

61. Delegation of the United States of America: Thank you, Chair. The United States supports the statement by Group B. We appreciate the Secretariat's efforts to implement JIU recommendations in a timely manner, including the ongoing exit strategy feasibility tests to implement the recommendation in the 2019 managing cloud computing services report. Could the Secretariat please share what additional steps and timeline are planned to close out this recommendation? Additionally, regarding JIU Report 2023/3, could the Secretariat share the status of the assessment of WIPO's accountability framework? In particular, we would appreciate greater detail on when and how any gaps in the accountability framework will be

shared with Member States and addressed. Lastly, while we note that two recommendations in the review of measures and mechanisms for addressing racism and racial discrimination in UN system organizations were not deemed relevant due to not being under the sole remit of WIPO, we nevertheless must state our opposition to divisive and wasteful diversity, equity and inclusion programs and preferencing. The United States believes every person deserves equal dignity and respect. We see no need to refer to specific categories of people to establish a positive work environment. The United States does not and will not support the implementation of any recommendations or programs which use any form of diversity, equity, inclusion or accessibility precepts, programs or initiatives and strongly underscores that WIPO should not include any form of DEIA in its programming or internal reforms. Thank you, Chair.

62. Chair: I thank the Delegation of the United States. I do not have any requests for the floor at the moment. Dear Colleagues, as you have listened, several Delegations have raised questions that require response from the Secretariat. I would request you to bear with me if we could take a few minutes of break so that we can organize ourselves and respond to the queries raised by various Delegations. If agreed, I will suspend the meeting for five minutes and not more than that. We will be back with the answers raised by the Delegations. With that, the meeting is suspended.

63. Chair: Dear colleagues, I would like to have your attention. Thank you for bearing with us. We will now begin by answering some of the questions, queries and comments that were made in the statements earlier. I will first give the floor to the Chairperson of the Joint Inspection Unit before we turn to the Secretariat for responses. You have the floor, Madam

64. Joint Inspection Unit: Thank you, Chair. From the statements, I gathered two issues that I need to address. The first of them being the classification given to some recommendations, specifically the 'not relevant' classification from what I understood from the statements from the floor is, if it would be correct to continue with this classification. In our opinion, and we have done so in our report of acceptance and implementation of JIU recommendations, is that if it applies to the participating organization, then it would be either accepted, in progress or under consideration then further explanation could be given in that regard but we do acknowledge that the implementation is not solely within participating organization's responsibility. So that has been taken into account by the JIU. However, you do have a space where you comment, and you point out that you will go through XY mechanisms of the CEB if that is the case. On the second question would be the mutual recognition examples. Obviously I think the report itself, I'm not the author, thus I cannot formally answer on that, but I can tell you that what we have seen as mutual recognition or examples would be human resources, medical, IT, procurement and the author of the report in several occasions has said that shared services centers and shared services have in themselves mutual recognitions. So, I also understand, and this will be answered from management, I believe, on implementing mutual recognition and then they will hopefully give you examples of where that mutual recognition will be applied. Thank you.

65. Chair: Thank you, Madam. And now I will give the floor to ADG Staines related to budgetary questions.

66. Assistant Director General Administration, Finance and Management Sector: Thank you very, very much indeed, Mr. Chair. Very good afternoon, everyone. Thank you very much at the

outset for your comments, your kind comments directed towards the Secretariat in your opening statements and thank you, under this agenda item, JIU Chair, for your report. Let me respond to a few of the questions and then my colleagues will come in and complement me. Firstly, let me reassure on the side of WIPO, there is certainly some economic constraints across the UN system but on our side, there would be no letup in the importance that we attribute to proper governance and proper oversight and that is reflected in the budget proposal, which we discuss under a later agenda item. And then, to turn to some of the comments and questions from the Distinguished Delegations, firstly, to the Distinguished Delegate of China, a question on the difference between the budget as presented now, under this Director General and that presented, if I understood correctly, under previous Directors General. I was reminiscing at your question because six years ago, I was sitting in the Chair of the Program and Budget Committee seat and I remember the weekend before the Committee, where I worked very, very hard to try and reconcile all of the different views in the last budget. One of the things that struck me then and strikes me today is that the challenge with the previous program approach was that it didn't reflect the structure, the inputs, nor the outputs, the results, and so it sort of sat halfway in between and certainly I, as PBC Chair, found it difficult to use and so, not least when this Director General took office, he really wanted us to focus on impact, on results, to try and evolve from proposals being long lists of activities, of conferences, of things we're going to do, and to focus much more on what we want to achieve, and so that's the spirit, of what's in the Program of Work and Budget proposals as we present them now as compared to in years prior to 2020. I will turn to mutual recognition. I think the Distinguished Delegates of China, Mexico, and one or two others asked about the mutual recognition and again, at the outset, I wanted to reassure that we are supportive of the overall principle of mutual recognition. We've integrated it in many, many areas of our business model and so, actually, many of the areas that the JIU Chair referred to and so they would include, of course, the UN common system for salaries, allowances and benefits, the UN Joint Staff Pension Fund, shared IT services, common procurement initiatives, joint medical services and the UN Security Management System. The hesitation towards signing up immediately to the overall statement is, I believe, we're rightly careful when looking at a statement that's actually very, very broad ranging. It is one that actually commits to a great deal of recognition across the system. It is quite a high level. It is quite general and so we want to look through it to make sure, first and foremost, that as we do that we don't have a negative impact precisely on the work of this Committee, on accountability, we as management, have a duty to all of you as our Member States to do things right, to have proper governance structures. We need to be careful we do not sign up to something that inadvertently weakens that fiduciary duty, effectively to all of you. So, it is a very wide-ranging statement. There are a number of areas we want to look at in more detail. These include the specific implications for our unique business model, our operational model, as a specialized agency that is funded by fee income rather than contributions. The compatibility with our existing regulatory framework and governance structure, the potential benefits and risks for our stakeholders, customers and for our operations and, of course, the implementation costs. As I said, I reassure, we are fully committed. We are a doer in terms of joining up across the UN system in terms of many, many areas. I listed those earlier. I think they covered almost all of the areas referenced by the JIU Chair, but it is more with the idea of a very overarching statement that could capture lots of different things we have not thought about yet. We want to work through it properly so that we can provide you with the proper assurances and proper reasoning for what we are doing. Let me turn next, if I may, to a comment from the Distinguished

Delegation of the Russian Federation but I did just want to assure we are playing a very full and active role in the UN80 discussions. The Director General has personally conveyed his support, I know, to the Secretary General's team. We are ready to do what is necessary, including making our tools and our products available across the UN system. So, whether that is speech-to-text, for example, where we have a very good tool, we are very committed to sharing those and other best practices across the UN system. We are playing a very, very engaged role. Both I and the Director General have been involved in a number of meetings and calls related to the UN80 initiative. And then finally, for me, Mr. Chair, I will, a brief comment in response to the Distinguished Delegates of Iran and the United States on cloud computing. And I think, at the outset, I would say that we continue to see very strong benefits to our cloud first policy, whether that's our use of the shared infrastructure across the UN system through UNICC or our public cloud usage, which we protect through a so-called ring-fenced tenant system. So, we see this objective very much as part of an objective around proper business continuity, proper system resilience. I think that any responsible organization in the current time would be committed to those principles. And so, to give an example, very specifically of what we are doing, we are continuing to invest in the proven backup of data and the proven replication of architecture across the cloud systems. And so, let me reassure you as we approach this, it is very much with a view of ensuring proper business resilience, proper business continuity, as we do with a whole range of both IT and other issues. And with that, Mr. Chair, I will pause and hand to my colleagues. Back to you, Mr. Chair.

67. Chair: I'll give the floor to Ms. Narayanaswamy, and then other colleagues later. You have the floor.

68. Secretariat: Thank you very much, Mr. Chair. And thank you for the question. I'll take the couple of questions I heard on the accountability framework. So, WIPO's accountability framework actually has been in place since 2014. The first time we came to you, the Member States, in the PBC with the accountability framework being laid out for your information and review was in 2014. We updated that in 2019 and each time you took note of the accountability framework after, of course, due introduction, explanations and debate. The review, and I heard a couple of questions around that, the review is planned for later this year. So, we will be undertaking a review of the accountability framework towards the end of quarter 3 and predominantly in quarter 4. And, of course, as with most of these exercises, we will be involving the Internal Oversight Division. I will be speaking with the IOD Director before we initiate the review so that we can benefit from their valuable inputs as well. So, both the first line, second line and the third line in the Organization will be involved in the review. And my expectation, dear Delegations, is that we would be in a position to submit the updated accountability framework after the review, next year in the 40th session of the PBC. So that is on the framework itself. I did hear a couple of comments on the different components and the costs. So, the cost of accountability can vary between organizations. We understand this comes from a JIU report and it is typically from a systemic point of view and there have been discussions in the Finance and Budget Network around costing of these components and it has been rather difficult to come to a common conclusion across agencies because the structure and the way we look at accountability is different. However, for the moment, I will stick to WIPO's context, and we have our accountability framework that has been in place since 2014, and was updated in 2019. We consider it, and it has been considered in the system, as one of the more mature

frameworks. It is a linking document which connects all of the different elements such as internal oversight, external auditors, ethics, information security, risk management, and complaint mechanisms which are fairly unique to WIPO, because in the global IP systems we need to have very effective feedback and complaint mechanisms from the users who we are serving under our treaty obligations. So, our context and components could be quite different from those of other organizations but that is not to say that we will not try to cost them as we go through this review. However, comparability with other agencies may be an issue. So having said that, I think we would also say that not much change is expected in many of the elements of our accountability framework in the sense that, for example, risk management, we are already at a significantly advanced stage. A couple of dimensions under the risk management maturity model we are aiming to get to where we would like to be. So, there is not significant change that we are expecting in the accountability framework. However, the paper will be submitted to the PBC in 2026. Thank you, Mr. Chair.

69. Chair: Thank you, Ms. Narayanaswamy, for your explanations. I will now hand over the floor to Ms. Barbier for HR-related questions.

70. Secretariat: I will try to group the questions, starting with the reference to non-staff and the affiliate workforce. The Delegation of Mexico was asking for a definition of non-staff, these are categories of personnel who do not fall under WIPO Staff Regulations and Rules. Staff that are on temporary, fixed term, continuing or permanent appointments fall under the Staff Regulations and Rules. All others would fall under non-staff. Let me give you some examples for WIPO. The more traditional contracts that would be covered by the definition of the affiliate workforce proposed by the UN, are fellows, interns, ICS, which are Individual Contractors. However, WIPO has a broader use of non-staff contracts that includes, for example, agency workers, long-term agreement contracts, and external contractors that we use quite extensively for IT development. By adopting the definition, we would add a label that would give the impression that they are the same when they are not, and that's purely due to the specifics of WIPO. In relation to that, just to explain a reference from the Delegation of Nigeria on the benefits and the potential abuse related to consultant contracts in the UN environment. WIPO has a much more limited use that is very much on specific deliverables. From that perspective again, the definition doesn't fit. We have done a lot of analysis over the years through our strategic workforce planning to ensure that the contract modalities are directly decided based on the needs and the idea is not to have people on different contracts doing the same type of work side-by-side. Indeed, to ensure an equal approach. Then in terms of the legal aspects, our non-staff population has access to arbitration, to Ethics, to the Ombudsperson, they can file harassment complaints, so they are broadly integrated within our workforce. They also take part in our engagement survey. There was a question on how does that fit with the WIPO presentations of its workforce? In the WIPO Workforce brochure, traditionally, the way we have approached it is we make a differentiation between the core and flexible workforce. Core is fixed-term, continuing and permanent appointments on the regular budget. These are more like the career roles. Under the flexible, you would also find temporary staff as well as interns, fellows, ICS that fall under the affiliate category and also external contractors. I'm trying to give you a sense of the complexity that explains why we felt that this was not appropriate for WIPO. Moving on to the questions from the Delegations of Mexico and Canada on Recommendation 9 of JIU/REP/2023/4, which as you may recall was under consideration last year. As a follow-up

to those exchanges, we met with Inspector Eileen Cronin who was in charge of the review, and her perspective was that WIPO could accept and implement all of them, including Recommendation 9. But after further consideration, we decided not to accept it, although as I said, on principle, we are actually largely implementing it. The problem for us is the phrasing of the recommendation that specifically refers to a workplace action plan on mental health and wellbeing, whereas WIPO has decided to incorporate mental health under its occupational safety and health actions. It's really for this reason. We have been doing a lot of work on management and leadership, on building resilience, managing stress, and we are also in the process of acquiring a platform on mental health and wellbeing to provide resources for staff. I also want to add that WIPO is a very active member of the UN Mental Health and Well-Being Strategy Implementation Board, which has developed a scorecard with a new set of performance indicators. There are 12 of them on mental health, and I'm happy to report that WIPO has scored 87% on this implementation versus an average of 64% in the UN system. I'm more than happy to engage separately if you want more information. Lastly, I want to go back to the point made by the Distinguished Delegate of Nigeria, on the JIU recommendation, the idea is not to delegate or to delay. The issue was more to accept something on behalf of another entity where we have no control. But to reassure the Delegation, there is a lot of actions happening in WIPO, we have been doing a lot of work on awareness raising and training. While we do not provide training that is specifically on racism itself, we provide training on the skills and competencies that support a discrimination-free working environment, such as awareness on microaggressions on which we had some trainings this year. We are looking also at internal complaints and at awareness on unconscious bias, but as for all our actions, more in a mainstreamed or integrated way at WIPO. The proposal to have a cross-UN approach on the curriculum is aligned with what has been done for other areas, topics like gender equality and disability, because developing a full curriculum requires a consistent framework with definitions, concepts, which at the moment do not exist. For the other topics, we now have trainings available, and courses that can be adjusted. We are not delegating. We are happy and ready to engage, to contribute, but to be efficient in the UN common system, we are looking at a common approach versus individual agencies and rather small agencies developing their own curriculum. I hope this answers the questions. Thank you, Chair.

71. Chair: Thank you, Ms. Barbier. It answers quite a few questions, but I must thank my colleagues from the Secretariat for trying to address all the questions that have been raised by the Delegations. At this stage, I will open the floor if any Delegation wishes to comment or observe or make a remark. I see China requesting the floor.

72. Delegation of China: Thank you, Chair, for giving me the floor again. We thank the ADG for his response to our questions just now. China maintains a reservation regarding the assessment that the level of detailed disclosure in WIPO's Program of Work and Budget has remained unchanged. First, as mentioned earlier, since WIPO adopted its new Medium-Term Strategic Plan in 2021 and changed the structure of its Program of Work and Budget, the proposal shifted from spanning over 30 individual programs to eight sectors. As a result, the number of performance indicators disclosed has been reduced significantly. Second, as highlighted in the JIU report on Budgeting in Organizations of the UN System, enhancing the transparency of WIPO's Program of Work and Budget is beneficial to enable Member States to make informed decisions as the owners of this Organization. This helps to strengthen trust and

confidence in the work of the Secretariat and contributes to improved governance at WIPO. Therefore, transparency in this area should be reinforced, not weakened. Third, improving transparency is also in line with WIPO's existing rules. Rule 2.19 of the WIPO Financial Regulations and Rules states that the proposed Program of Work and Budget shall be consistent with the MTSP and shall be presented in a clear and transparent manner. Fourth, we note that in previous discussions on the Program of Work and Budget, including those related to the 2024/25 biennium two years ago, Member States have repeatedly requested more detailed budget breakdowns at the division level. For example, there were calls to provide specific budgets for the various divisions within the Regional and National Development Sector. This shows that there is still room for improvement in the level of detail disclosed in the Program of Work and Budget. Fifth, if we compare horizontally across the UN system, we find that many organizations demonstrate good practices in transparency. For instance, the UN Secretariat provides annual budget proposals with breakdowns at the division level, including performance indicators, staffing levels and vacancy rates, whose level of disclosure is among the highest in the UN system. FAO and UNESCO also provide breakdowns of their budgets to the division level. These practices are commendable and could serve as useful references for WIPO. Sixth, WIPO has undertaken several cross-sectoral organizational restructurings in recent years, some of which involved substantial changes in both personnel and non-personnel expenditures. However, Member States are often not well informed about the details of these major changes. This represents another area where transparency could be enhanced. In conclusion, China believes that this JIU report provides WIPO with a valuable opportunity to re-examine whether its current Program of Work and Budget framework offers adequate information for Member States to make informed decisions, in particular in the context of the upcoming new MTSP. We recommend that the Secretariat reconsider its assessment of this JIU recommendation. I thank you, Chair

73. Chair: I thank the Delegation of China. I do not have any other requests for the floor. I have not seen any other Delegation requesting the floor, while noting several suggestions and valuable ones made by China with regard to this agenda item. I propose that we move towards the decision, which I request the Secretariat to display on the screen. The decision, the proposed decision for Agenda Item 3, Progress Report on the Implementation of the Joint Inspection Unit Recommendations, I will read it out to you:

The Program and Budget Committee (PBC):

- (i) took note of the present report (document WO/PBC/38/2);
- (ii) welcomed and endorsed the Secretariat's assessment of the status of the implementation of recommendations under:
  - JIU/REP/2024/3 (Recommendations 1, 2 and 3);
  - JIU/REP/2024/2 (Recommendations 2, 3, 5 and 6);
  - JIU/REP/2023/9 (Recommendations 2 and 5);
  - JIU/REP/2023/8 (Recommendations 2 and 7);
  - JIU/REP/2023/6 (Recommendations 2 and 4);
  - JIU/REP/2023/4 (Recommendations 2, 3, 9 and 10);
  - JIU/REP/2023/3 (Recommendations 3, 4 and 5);

- JIU/REP/2020/7 (Recommendation 6); as set out in the present report; and
- (iii) called on the Secretariat to propose assessments for the remaining open recommendations made by the Joint Inspection Unit (JIU) for Member States' consideration.

May I take it that the Committee can adopt this decision? I see China requesting the floor.

74. China: Thank you, Chair, for giving me the floor. With regard to this decision paragraph, the Delegation of China needs more time to study the language. Is it possible for you that we make the decision in the afternoon, please?

75. Chair: China has proposed to take some time and indeed we have already reached 1 PM. So, we will reconsider this decision once we reconvene at 3 PM. With this, we would go for an adjournment at this stage. I would request the group coordinators to please see me immediately after the adjournment of the meeting. The meeting is adjourned.

76. Chair: Agenda Item 3 as displayed on the screen is still open. There is reference regarding the implementation of the recommendations of the JIU. We do not have any written proposals from Delegations therefore, I submit the decision text for your consideration. As there are still no comments, we can adopt the decision. The Delegation of China has requested the floor.

77. China: Thank you, Mr. Vice-Chair. Regarding this agenda item, we suggest that we start discussions on the WIPO Performance Report before we conclude discussion on the decision for Agenda Item 3.

78. Vice Chair: I do not really see the relationship between these two agenda items; they are two separate items and issues. You made a proposal, and it will be studied by Delegations. We are currently discussing Agenda Item 3, the Progress Report on the Implementation of the Joint Inspection Unit's recommendations. Unless you have a proposal, we will conclude this agenda item.

79. China: Thank you, Mr. Vice-Chair. My Delegation still has some doubts concerning Recommendation 2 for Agenda Item 3, especially regarding its implementation status. Therefore, we need more time to study if its implementation is allowed and we will share our response.

80. Vice Chair: Thank you for your comments. Of course, we can give you more time. However, I would like to recall that I do not see the link between Agenda Items 3 and 4. These are distinct issues to me, this is why I requested we take a decision. Does any other Delegation wish to make a comment? I see no other requests for the floor. I will give more time as requested by the Delegation of China to study Agenda Item 3. However, I would like to recall that we have been discussing this issue since Monday morning. Perhaps we should go forward on this issue to the extent possible. We will take a ten minute break. May I kindly ask that Regional Coordinators join me here on the stage? Thank you very much for your understanding, dear Delegates. We are in a very specific situation because we cannot really make any

progress on any of the points on our agenda. We need work to be done on integrating elements into the program and more time has been requested for the other agenda items to be considered. As you know, we thought that tomorrow we would be discussing Agenda Items 6 and 7. We want to keep Agenda Items 6 and 7 as planned for tomorrow morning and tomorrow afternoon. We are going to close the session now and we are going to meet at 3 PM this afternoon to continue our work. Please take advantage of your lunch break.

81. Chair: Since there is no other Delegation that wishes to take the floor at this stage, we do have Agenda Item 3, where also more time has been sought by one Delegation. I would request if there is any progress on that from China?

82. China: Thank you, Mr. Chair. China attaches great importance to the disclosure level of WIPO's financial budgeting. We also appreciate the Secretariat's efforts in this regard over the years. We are of the view that the JIU Report on Budgeting in Organizations of the UN System, could facilitate our work by providing good recommendations. We hope that WIPO could continue to implement relevant recommendations. Previously, we proposed that the Secretariat could continue to study and implement Recommendation 3 in this report. Regarding this issue, we have consulted constructively with interested parties as well as the Secretariat, and we also understand more what are the considerations by the Secretariat. In a constructive spirit, we are willing to agree to the current decision paragraph regarding this Agenda Item and we will continue to follow the progress.

83. Chair: This is an encouraging sign and I would request the Secretariat to bring on the screen the draft decision on Agenda Item 3. Let me read it out once again as you look at it. Last time only China reserved their position who have now explained their position again. The decision is adopted. Thank you, dear Colleagues, for your cooperation and thank you for China for the constructive consideration which has helped us adopt another decision.

84. The Program and Budget Committee (PBC):

(i) took note of the present report (document WO/PBC/38/2);

(ii) welcomed and endorsed the Secretariat's assessment of the status of the implementation of recommendations under:

- JIU/REP/2024/3 (Recommendations 1, 2 and 3);
- JIU/REP/2024/2 (Recommendations 2, 3, 5 and 6);
- JIU/REP/2023/9 (Recommendations 2 and 5);
- JIU/REP/2023/8 (Recommendations 2 and 7);
- JIU/REP/2023/6 (Recommendations 2 and 4);
- JIU/REP/2023/4 (Recommendations 2, 3, 9 and 10);
- JIU/REP/2023/3 (Recommendations 3, 4 and 5);
- JIU/REP/2020/7 (Recommendation 6); as set out in the present report; and

- (iii) called on the Secretariat to propose assessments for the remaining open recommendations made by the Joint Inspection Unit (JIU) for Member States' consideration.

#### **ITEM 4            WIPO PERFORMANCE REPORT 2024**

85.     Discussions were based on document WO/PBC/38/3 Rev.

86.     Vice Chair: Good afternoon. Allow me to switch to Spanish. As you know very well, normally, I use my mother tongue in these meetings. So, allow me to go to Spanish directly. Good afternoon, one and all. I hope you had a nice lunch break. It is a pleasure to see you here in this Committee once again, which, as you know, is so close to my heart, and basically, as you will recall, in the morning session, the Delegation of China asked for a little more time to consider the decision paragraph. The Honorable Delegation of China tells me that is still the case. I suggest that we return to the decision on Item 3 tomorrow morning so we can now continue with our agenda and move to Agenda Item 4, "WIPO Performance Report 2024," document WIPO/PBC/38/3 Rev. It is a very valuable report that we have under this agenda item which has been prepared in accordance with Regulation 4.4 of the Financial Regulations and Rules approved by the Assemblies in July 2022. I will give the floor to the Assistant Director General, Mr. Andrew Staines to present Item 4.

87.     Assistant Director General: Thank you very, very much indeed, Vice Chair. Very good afternoon, everyone. Welcome back. Our Director General, in his opening remarks, has already spoken fairly extensively about WIPO's performance and so I can be fairly brief. The WIPO Performance Report 2024 is a mid-biennium report and provides a comprehensive results-based view of our performance in 2024 and assesses progress towards achieving our expected results and targets in the first year against the results framework that you, the Member States, approved in the Program of Work and Budget 2024/25. Building on the enhancements made in the WPR 2022/23, we have sharpened our focus on results, impact and efficiency while using clearer, more reader-friendly language. I'm pleased to share that both our programmatic and financial performance was solid in 2024. Notably 79 per cent of targets are assessed as on track compared with 75 per cent in 2022, the first year of the previous biennium. Targets not on track dropped to 10 per cent, down from 14 per cent in 2022, and it is also worth noting that seven of our 84 unique KPIs in the Program of Work and Budget 2024/25 are assessed on a biennial basis and were, therefore, not assessable in 2024. When you adjust for these, our results are even more encouraging with 87 per cent of assessable targets rated as on track and that compares to 79 per cent when adjusted for the same process in 2022. I will focus on some of the key highlights. WIPO marked a historic milestone in 2024 with the adoption of two landmark treaties, the WIPO Treaty on Intellectual Property, Genetic Resources and Associated Traditional Knowledge and the Riyadh Design Law Treaty, bringing the total number of WIPO-administered Treaties to 28 and reinforcing WIPO's central role in shaping global IP norms. I will now deep dive into some additional examples from our performance under each strategic pillar. Under Strategic Pillar 1, WIPO increased social media engagement by 11 per cent, demonstrating growing global interest in our mission and in IP's role in development. We also expanded our multilingual reach by integrating the Google Translate widget into our website, enabling content in over 120 languages. Under Strategic Pillar 2, we launched key initiatives,

like the Catalyst Survey and Pathfinders, to strengthen global IP preparedness, while enhancing foresight capabilities to navigate future challenges. Under Strategic Pillar 3, demand for WIPO's Global IP Systems picked up slightly in 2024 compared to the previous year, despite challenging conditions and sluggish economic growth in many regions. Our focus remained on transforming our services from application-driven models to applicants- and client-focused service delivery. Notably, PCT Translation Services achieved remarkable efficiencies saving 4.7 million Swiss francs. Under Strategic Pillar 4, we scaled up our project-based implementation to further drive sustainable, high-impact benefits, aligned with development priorities in WIPO Member States. The WPR highlights a number of these projects, including our build back better initiatives, targeting a broad range of stakeholders. In support of SMEs, WIPO launched the Scale Up Your IP pilot and the first hands-on IP finance guide to help innovators and businesses embed IP in commercialization. This is a key step towards unlocking the value of intangible assets. Finally, under the Foundation, we remained laser focused on efficiencies and sound financial management. Digitization and consolidation efforts streamlined procurement and travel management, resulting in a 40 per cent reduction in staff time spent on travel arrangements. Additionally, the termination of external staff parking rentals generated annual savings of 350,000 Swiss francs. WIPO ended the first year of the biennium with sound financial results. Our income after IPSAS adjustments amounted to 487.6 million Swiss francs. The operating result amounted to 74.8 million Swiss francs. While the overall surplus for the year amounted to 140.1 million Swiss francs, including 73.6 million Swiss francs from investment gains. Lastly, the revised document WO/PBC/38/Rev. reflects the following changes in the English version. On page 7, the title of Table 3 was updated and now reads "Estimates of the Actual Demand for Services under the PCT, Madrid, the Hague and Lisbon Systems in 2024". On page 58, the budget tables in the Sector view for IP and Innovation Ecosystems, IES, have been corrected, and on page 60, Annex I, the Budget after Transfers by Sector is also corrected. I thank the Member States who drew those errors to our attention. They have now been corrected in the revised version. Thank you for your attention, and my colleagues will be very pleased to answer any questions on the WPR. Thank you, Vice Chair.

88. Vice Chair: Thank you very much to the Assistant Director General Andrew Staines for that information provided to all delegations, and now we are going to open the floor so that those delegations who wish to put questions to the Secretariat can do so. Following the usual practice, we will give the floor initially to Group Coordinators.

89. Japan: Thank you, Vice Chair. On behalf of Group B, I extend our sincere gratitude to the Secretariat for preparing the detailed WPR. The document provides valuable insights into WIPO's achievement and financial stewardship, and we commend the Secretariat for its continued commitment to transparency and accountability. Group B also welcomes the positive financial result for 2024 and its surplus of 140.1 million Swiss francs. We particularly welcome that WIPO's financial resilience remains commendable with net assets reaching 710.7 million Swiss francs. A testament to prudent financial management amid global economic uncertainties. More than 96 per cent of WIPO's income comes from fees paid by users of international Intellectual Property systems, primarily users of the PCT System, 76 per cent, and the Madrid System, 17 per cent. Once again, this observation underscores the key role played by the WIPO filing and registration systems as a financial backbone of the Organization. However, Group B would like to highlight that while the PCT and Madrid Systems remain vital, Table 3 of the WPR

shows the number of actual filings for each of the fee-funded unions were lower than WIPO's estimates. In addition, we recall the 1.9 per cent decline in PCT filings in 2023, the first such decrease since 2009 was observed, which highlights WIPO's vulnerability to global economic fluctuations. Nevertheless, we are particularly glad to see that in 2024, 273,900 PCT applications were filed, representing an increase of 0.5 per cent compared to the previous year. We are confident that the Secretariat can continue to monitor these trends and can maintain an effective management behavior accordingly. Our Group takes good note that 131 out of the 165 performance indicator evaluations were on track in 2024. We, however, note that there are gaps in the achievement of performance indicators. In particular, only 51 per cent of the performance indicator evaluations under Strategic Pillar 3, which focuses on IP services, knowledge and data, were achieved as shown in page 9 of the report. This is particularly concerning in light of the fact that only 57 per cent of the expected results for Strategic Pillar 3 were fully achieved during the 2022/23 biennium. While we understand the historical first year of the biennium patterns, where spending is generally lower as implementation gradually ramps up, we respectfully request the Secretariat to continuously make efforts towards the achievement of expected results and KPIs. Under this Strategic Pillar 3, we also note with concern that Hague application pendency shown on page 80 has continued to deteriorate in 2024. We would like to ask the Secretariat to outline concrete measures to restore and improve its processing time. On a positive note, Group B approves the strategic integration of AI-driven machine translation in PCT services, which will reduce cost by 4.7 million Swiss francs, maintaining a 93 per cent accuracy rate. While it's a prerequisite that the quality of the translation and security be ensured, this innovation exemplifies WIPO's commitment to balancing technological advancement with financial responsibility. In conclusion, while careful monitoring of management behavior remains essential to mitigate strategic risks, Group B acknowledges the positive financial performance of the Organization in 2024, congratulates WIPO and encourages the Director General and the Secretariat to continue in this direction. Thank you, Vice Chair.

90. Pakistan: Thank you, Vice Chair. Pakistan has the honor to deliver this statement on behalf of the APG. The Group commends the Secretariat for the comprehensive and transparent analysis presented in the WIPO Performance Report. We welcome the sound financial performance in 2024 and a budget execution pattern consistent with past biennia. We are also appreciative of efforts to enhance efficiency through optimized travel arrangements, sustainability initiatives and reallocation of savings toward high impact projects. The successful adoption of the GRATK Treaty and the Design Law Treaty represent historic achievements reinforcing WIPO's role in facilitating consensus and shaping international IP norms. The Group welcomes the progress across Strategic Pillars. The APG particularly values the Organization's engagement with SMEs, youth and underrepresented communities. Vice Chair, while the Group is pleased with the overall trajectory of WIPO's performance, we believe that continued attention to the following areas will further strengthen the Organization's impact. Firstly, there is a need to strengthen translated and multilingual content. Only 57 per cent of flagship publications were translated into all UN languages in 2024. We encourage renewed efforts to ensure inclusive and equitable access to IP knowledge. Second, we welcome the LDC Deliverables Package and call for scaled-up, tailored support to developing countries under the Development Agenda and building national innovation ecosystems aligned with national development priorities. Third, with 84 KPIs already in place, we request the Secretariat to consider enhancing greater clarity in how qualitative and quantitative progress, especially in cross-cutting themes like youth

engagement and SDGs, is assessed and communicated. To conclude, the APG reaffirms its support for WIPO's strategic direction and results-based approach. We look forward to continued collaboration in building a balanced and inclusive global IP system. I thank you.

91. Estonia: Thank you very much, Chair. Estonia speaking on behalf of the CEBS Group would like to thank the Secretariat for preparing the comprehensive and insightful WIPO Performance Report 2024 as contained in document WO/PBC/38/3. As the document reports the work of WIPO, I take this opportunity to extend the Group's thank you to the entire WIPO team for your continuous professionalism and for your dedication to listen and respond to our expectations. We note with satisfaction the fact that despite ongoing geopolitical and economic challenges, WIPO's performance, both operational and financial, was overall effective and based on estimates made. We acknowledge the business process reforms that have significantly reduced translation costs, thereby leading to lower unit costs of processing PCT applications and overall, a notable decrease in expenditure on contractual services. The implementation of technological advancements for administration, information and systems could serve as a key factor in achieving greater balance on the expenditure side. Along with facility management optimization initiatives, careful management of HR costs and UN common procurement negotiations. From a financial risk management perspective, the report identifies a realized risk, a decline in filings for revenue generating activities attributed to an economic downturn and other contributing factors. This is a reason of concern to all of us and deserves further consideration. At the same time, we express satisfaction over the preservation of the Organizations' financial stability through prudent financial management and careful monitoring of reserves. It would, however, be valuable to further analyze future risk mitigation strategies related to potential economic downturns and any anticipated declines in filings. We acknowledge that the amount for services under WIPO's Global IP Systems continued to grow in 2024. Despite challenging conditions and unsatisfactory economic growth in many regions, the CEBS Group is pleased to note that international patent filings under the PCT recorded a slight increase of 0.5 per cent compared to 2023. Trademark applications under the Madrid System rose by 1.2 per cent while design protection under the Hague System experienced another strong year with a year-on-year increase of 10.3 per cent in applications. However, the report indicates that overall figures fell short of the targets as established in the Program of Work and Budget for 2024/25. This shortfall deserves additional analysis with a view to further mitigate this downturn tendency. The evaluation of 165 performance indicators with more than 130 of them being on track is a sign of a good management of the projects and activities set forth by WIPO. At the same time, the CEBS Group would appreciate more clarification on the low level of performance indicator evaluation within Strategic Pillar 3, which reflects upon IP services, knowledge and data. With only 51 per cent of performance indicators under Strategic Pillar 3 on track compared to the targets in the 2024/25 biennium, this requires further attention and consideration also with a view of parameterization of the goals and feasibility for their achievement. One of the key accomplishments of WIPO in 2024 was certainly the successful conclusion of two Diplomatic Conferences culminating in the adoption of two landmark treaties. The CEBS Group also acknowledges the continued substantive discussions held in various committees as well as the numerous initiatives of WIPO in the pursuit of bringing the international community together to proactively address emerging issues and policy challenges at the global level. Our Group acknowledges the significant increase in disputes handled by the WIPO Arbitration and Mediation Center as well as the intensive work carried out by the Domain

Name Resolution Services. These services have proven to be effective and are widely recognized among stakeholders. We believe that alternative dispute resolution mechanisms merit increased attention and investment to remain a viable and effective means of resolving disputes. We welcome WIPO's active expansion of its global storytelling initiatives, strong work in social media and the considerable expansion of WIPO's global media presence during the year. All of this has significantly enhanced WIPO's communication and outreach efforts, which are vital for awareness raising. We are pleased that stakeholders from CEBS countries could also benefit from these initiatives. We take note of the information presented in the reporting document regarding WIPO's interests, benefit and result driven engagement in cooperation, as well as its support for business communities, SMEs, academia, universities and civil society. In this context, we welcome the expansion and enhancement of WIPO's activities on Strategic Pillar 4, especially in strengthening IP education and capacity building. Providing effective support to governments, enterprises, communities and individuals is of paramount importance to the CEBS Group. All in all, we are pleased to see that WIPO's budget and Organization's operations are fully aligned with implementation of activities within the framework of four strategic pillars as set out in the Medium-Term Strategic Plan 2022-2026. In our view, this approach is a warranty of WIPO delivering concrete results important to fulfill a common vision and agreed directions of WIPO development. We are thankful for WIPO's comprehensive approach and all these activities that target on the ground cooperation with various groups of IP stakeholders engaging them in the global efforts aimed at growth and development. We would once more like to thank the WIPO team for detailed documents assuring us that WIPO activities are fulfilled in accordance with its mission and goals with a particular focus on effective and optimized resources allocation and management. Thank you very much.

92. China: I would like to thank the Secretariat for preparing the WIPO Performance Report 2024. We believe a comprehensive and objective evaluation of the performance and timely and transparent publication of the report is important not only for good governance of this Organization, but also because it helps Member States to comprehensively understand the work of the Organization. China has noted that in 2024, 79 per cent of performance indicators were reported as on track. We appreciate the commitment and hard work of the different Sectors to achieving the expected results and would like to share our opinions on a number of items. First, on page 26 of the WPR, WIPO mentions the establishment of a Future Growth Taskforce (FGT) last year. It studies and sets relevant strategies to promote WIPO's Global IP Systems to promote growth in the number of users and applications. This is visionary and strategic. China welcomes these efforts. On this page, it is also mentioned that PCT translation services last year increased the use of machine translation for language revision and achieved a cost reduction of 4.7 million Swiss francs. China highly appreciates this. Over the years, WIPO has proven that, by using machine translation in the PCT Translation Division and Language Division, WIPO can control the cost and ensure translation quality. This is of great significance to expanding the language use in both the Madrid and the Hague Systems. China suggests that the FGT can help PCT, Madrid and the Hague Systems to design a future-oriented strategy and can play a more active role in considering factors that might impact user choices, including working languages, and help Madrid and the Hague to learn from PCT and adopt a user-friendly language mechanism so as to achieve the sustainable development of these two Systems. Second, on page 32 concerning expected results, ER 4.2 mentions a number of important, regional meetings held by this Organization. In September 2024, with the support of the FIT

China, China and WIPO jointly held the third high-level conference on IP for Belt and Road countries, which was attended by over 400 Delegates from IP organizations, international and regional organizations from over 70 countries, produced nearly 20 pragmatic results, and provided effective support for relevant countries and regions to use IP to promote development. I would like to avail myself of this opportunity to thank the Secretariat and other participating parties. Third, before the meeting, China informed the Secretariat that there was an issue with the table on page 60, Annex I of the Program of Work and Budget for 2026/27. The Secretariat agreed and updated the WIPO Performance Report 2024. Annex I of the PoW&B for 2026/27 will be updated for the next PBC session. China is grateful to the Secretariat for this effort. Regarding this table, we have a new question that we would like to raise with the Secretariat. We have noted that the transfer amount in the AFM Sector in the biennium 2024/25 is relatively large, with 15.738 million Swiss francs having been transferred out, accounting for 5 per cent of the Sector's budget and 1.8 per cent of the total budget. At the same time, 23.915 million Swiss francs were transferred into the PT Sector. This brings two questions. First, according to the current Financial Regulation 3.4, when transferring budgets from one Sector to another Sector, 5 per cent of the receiving Sector's biennial budget or 1 per cent of the total budget should not be exceeded, whichever is higher. According to this Regulation, the amount transferred into PTS accounted for 11 per cent of this receiving Sector and 2.8 per cent of the total budget. Both amounts exceeded the upper limit of the regulations. We would like to invite the Secretariat to clarify this issue. Second, with regard to the reorganization of PTS and AFMS, Member States were not aware of the situation. China hopes the Secretariat will continue to provide details about the transfer amount in 2024/25 between the two Sectors, including the divisions concerned, the relevant amount of the budget, and the changes of the posts, among other information. Last but not least, Annex VI provides the operational indicators of the Hague System for 2024. The new/renewed designunit cost has grown from 448 Swiss francs in 2023 to 457 Swiss francs in 2024. As some delegates have mentioned, the processing time for Hague applications in 2024 has also increased compared to 2023. China recalls that, at last year's PBC 37<sup>th</sup> session, the Director of the Hague Registry explained that the increase in the unit cost and the less-than-ideal performance of these two indicators were due to the delayed deployment of the Hague IT system. China would like to understand more about the IT platform and whether it has been put into operation in 2024. If that is the case, why does the unit cost continue to rise? Concerning the processing time, last year the IB explained that the slower processing times in 2023 were due to lower productivity rates of new examiners and the time needed to train examiners. China requests the IB to explain once again what effort it has made in improving the examination capacity of the Hague System over the past year and the reason for the continued increase in the processing time in 2024. Thank you, Chair.

93. Namibia: Thank you, Vice Chair, for giving me the floor. Namibia takes the floor on behalf of the African Group. The African Group welcomes the WIPO Performance Report 2024. We extend our appreciation to the Director General and the Secretariat for the preparation of this informative document. Vice Chair, we note with interest that the PCT system accounted for 76 per cent of the results during the period under review. Furthermore, we take note of the performance under the strategic pillars. In particular, Strategic Pillar 1 achieved 88 per cent, Strategic Pillar 2 achieved full implementation at 100 per cent and Strategic Pillar 4 reached 95 per cent. We commend the Secretariat for those notable achievements. While we acknowledge those positive outcomes, we are also fully aware of the Secretariat's efforts to

improve performance on the remaining pillars that did not perform well. With the support of the entire membership, we believe that those targets will be achieved in the near future. I thank you, Chair.

94. Poland: Thank you very much, Vice Chair. This statement is delivered on behalf of the like-minded countries who are all 27 Member States of the EU, CEBS Group, Australia, Canada, Monaco, Norway, Switzerland, Türkiye and the United Kingdom. Since we plan to also engage in other parts of this discussion, allow me to spend a while and list all the countries: Albania, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Monaco, Republic of Moldova, Montenegro, Netherlands, Norway, North Macedonia, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and Ukraine. On a positive note, this Group of like-minded countries commends WIPO GREEN's success in facilitating technology matches especially through its match making and acceleration projects and its efforts to raise awareness through the collaborations with the climate technology center and network. We welcome the expansion of WIPO GREEN which underscores IP's role in addressing climate change and health crisis. On gender balance at the management level, we applaud WIPO for achieving significant improvement at the D2 level from 30 per cent to 45.5 per cent in 2024. We encourage WIPO to continuously improve the balance towards gender equality. I thank you.

95. Russian Federation: Thank you, Vice Chairman. The Russian Federation would like to thank the Secretariat for the preparation and presentation of the WIPO Performance Report 2024. We are pleased to note the significant progress in achievement of performance indicators both by Strategic Pillars and by Sector. We note a positive trend in the Regional and National Development Sector, the Infrastructure and Platform Sector, the Global Challenges and Partnership Sector, and the IP and Innovation Ecosystems Sector, and also international registration systems. We hope that other Sectors will also be able to achieve 100 per cent results by the end of the biennium. We welcome WIPO's efforts on automatization and particularly the optimization of the translation process, including in the context of the broadening of the Madrid and Hague Systems language models. At the same time, we believe that it is still necessary to provide adequate translation quality. We understand that the WPR structure is closely linked to the structure of the Program of Work and Budget. Nevertheless, we note the need for harmonizing the performance indicators according to the international registration systems, taking into account their specificities. We believe that we need unification of the criteria and the expected results and performance indicators. For instance, there are eight performance indicators in the PCT System, seven performance indicators in the Madrid System and only four in the Hague System. We believe that it is necessary to look at a way for the future Program of Work and Budget to ensure that we have some kind of structure in the key performance indicators whilst keeping the transparency of the results. We also note the need to look in depth at the Internal Oversight Division with regard to the data on the work of the Organization. We hope that the Secretariat will be able to provide this for the biennial WIPO Performance Report. We are convinced that the evaluation function is a key element for a results-based management system. In this regard, we call upon the Secretariat to create the necessary conditions to have a high-quality analysis of the data on achievements of the indicators and their reporting of the

program of work of WIPO. Besides this, we note that, based on the results of 2024, budget utilization in certain areas is approaching but still not reaching 50 per cent of the targets, which would have been reasonable in the context of a two-year program of work and budget. In this regard, we express the hope that WIPO will be able to take all necessary measures to ensure that it uses its budget to the full extent. For instance, as we noted in our opening statement, Strategic Pillar 3 is particularly important, since it is aimed at the applicants and rights holders and achieving what they deserve. Nevertheless, the activities under this pillar is achieved at only 51 per cent. Considering that funds are allocated for the implementation of specific activities, failure to utilize the whole budget may indicate that relevant activities are not being fully implemented. At the same time, we believe that it is necessary to focus on practical outputs and concrete results from the implementation of planned activities. Some important issues include the translation of documents and events, as well as the languages of WIPO's global services. In addition to the operational activities of the Organization itself, we note the need for WIPO to work closely with Member States, auditors and oversight bodies. We would like to underline once again the importance of working together in a transparent way in both formulating and implementing the WIPO Program of Work and Budget. The issue of transfer of funds between Sectors is also important. This activity should be carried out openly with the involvement of the Member States and in accordance with WIPO's Financial Regulations and Rules. We hope that these issues will be taken into account in agreeing the Program of Work and Budget for the next biennium and reflected in subsequent reporting. Thank you.

96. Egypt: Thank you, Vice Chair. Egypt's Delegation aligns itself with the statement delivered by Namibia on behalf of the African Group. We thank the Secretariat for presenting the WIPO Performance Report 2024 contained in document WO/PBC/38/3 Rev. Our Delegation welcomes the fact that WIPO was able to ensure 50 per cent of its estimated income for the current biennium in 2024 and achieved a surplus of 140 million Swiss francs. The increase in WIPO net assets reflects the Organization's sound and prudent financial standing. Our Delegation looks forward to the full implementation of WIPO's program during the second half of the biennium in 2025 and commends the diligent work carried out across all WIPO Sectors in 2024. Furthermore, our Delegation acknowledges the work undertaken to promote geographical diversity in the WIPO workforce and encourages its continuation and enhancement and to achieve the target in different regions, specifically in Africa. In this regard, we would like to raise the following two remarks. Firstly, while we acknowledge the progress made toward achieving the expected results with 79 per cent of performance indicators reported as on track, we would appreciate clarification as to why Strategic Pillar 3 is lagging with only 51 per cent of its indicators on track and how to achieve the fulfillment of the KPIs of this pillar in 2025. Secondly, as our Delegation strongly supports the enhancement of multilingualism, we encourage WIPO to ensure that the executive summaries of all flagship publications are translated into all official UN languages. We note that in 2024, only four out of seven of such publications met this criteria. I thank you, Mr. Vice Chair.

97. United States of America: Thank you, Vice Chair. The United States supports Group B's statement. The United States thanks the Secretariat for the preparation of the WIPO Performance Report for 2024 as contained in document WO/PBC/38/3 Rev. While we note WIPO appears on track to meet its financial goals, we are concerned with some of the indicators lagging behind expectations. We note each of the PCT, Madrid, Hague and Lisbon Systems

failed to reach their application targets for the year, with Lisbon in particular barely achieving a quarter of the estimated applications. We are also, as a general matter, concerned that only 51 per cent of KPIs for Strategic Pillar 3 are on track to meet their targets. This follows an equally concerning showing for Strategic Pillar 3 in the 2022/23 biennium, where only 57 per cent of KPIs were fully achieved. We urge WIPO to focus its attention on the health of its core systems and on improving the performance of Strategic Pillar 3.

98. Japan: Thank you, Mr. Vice Chair. First, the Delegation of Japan would like to express its gratitude to the Chair and Vice Chair of the Program and Budget Committee, the Director General Tang, Assistant Director General Staines as well as to the Secretariat for their dedication and efforts in organizing this meeting. This Delegation aligns itself with Group B's statement. We would like to commend the Secretariat for their hard work in preparing the WIPO Performance Report 2024. This Delegation would also like to comment on the results described in the report. Overall, we are pleased to see that about 79 per cent of the goals are on track. We recognize that there are still issues to be addressed and we look forward to seeing the improvement of those items that are presently not on track. With regard to WIPO GREEN on page 27, the steady increase in the number of partners is commendable. In addition, we welcome the launch of the Strategic Gateway with the Climate Technology Center and Network, CTCN. We would also like to collaborate more closely with WIPO and other Member States in further disseminating WIPO GREEN. Thank you, Mr. Vice Chair.

99. Iran (Islamic Republic of): Thank you, Mr. Vice Chair. We align ourselves with this statement delivered by Pakistan on behalf of the APG. My Delegation expresses its appreciation to the Secretariat for presenting the WIPO Performance Report 2024 as contained in document WO/PBC/38/3 Rev. This report provides a valuable assessment of WIPO's financial performance in the first year of the 2024/25 biennium. We recognize the Secretariat's commitment to the result-based report, which ensures accountability and transparency. We also welcome the positive financial result, including its surplus, which exceeded the projected estimation. The Organization's ability to offset potential lower income with investment gains and expenditure restraint is an important advantage. Prudent and effective financial management behavior is key toward long-term full financial sustainability and resilience. We note with satisfaction that 79 per cent of performance targets assessed as on track, reflecting a steady progress to achieving our expected results. My Delegation acknowledges the consistent advancement regarding the progress to achieving the expected results by strategic pillar. However, we observe that 51 per cent of key performance indicators in Strategic Pillar 3, regarding providing high quality IP services, are currently on track. My Delegation encourages WIPO to continue its efforts on enhancing the implementation of key performance indicators across all Strategic Pillars. My Delegation recognizes the significant contribution of the PCT, Madrid and Hague Systems to WIPO's financial framework and note that demand for these services achieved 46, 44 and 45 per cent of projected filings respectively, which may be rooted in global economic challenges. Concurrently, we welcome the Lisbon System income exceeding the expectation by realizing 108 per cent actual income compared to what was estimated in the Program of Work and Budget. We commend WIPO for its technical assistance programs, which effectively address the diverse needs and priorities of Member States. These efforts are instrumental to effectively leverage IP as a tool for development. In conclusion, my Delegation

reiterates its support for WIPO's mission to promote a balanced and effective global IP ecosystem. We look forward to continuing progress in 2025. Thank you.

100. Brazil: Thank you, Mr. Vice Chair. Brazil thanks the Secretariat for the preparation of the WIPO Performance Report as contained in document WO/PBC/38/3 Rev. We recognize the document's value as a tool for transparency, institutional learning and strategic decision making and welcome the opportunity to offer some comments. As stated in this Delegation's general intervention, we take positive note of the strong financial results achieved in 2024. Brazil also highlights the encouraging performance in the demand for global IP services, particularly under the Patent Cooperation Treaty, which registered a modest increase in filings after years of decline. The healthy performance across the Madrid and Hague Systems further confirms the continued relevance of WIPO's registration services and their potential to support development and innovation globally. Indeed, Vice Chair, given the current surplus and the comfortable financial situation of this Organization, and as Brazil supports multilingualism, it is our view that budgetary constraints should not be used as an excuse to incorporate Portuguese into WIPO Systems as, for instance, in the Madrid System. Mr. Vice Chair, while the report provides extensive data on results achieved and financial implementation, Brazil would like to stress the need to strengthen the development dimension of WIPO's performance reporting. The inclusion of qualitative references to the Sustainable Development Goals and the WIPO Development Agenda is welcome. As highlighted previously by this Delegation, however, the absence of quantitative data on the share of budgetary resources effectively allocated to these priorities remains an overlooked but far from unnoticed limitation. We, therefore, reiterate our call for the Secretariat to improve budget performance integration, including clearer mapping of resource flows to specific Development Agenda recommendations and Sustainable Development Goals. Doing so would enhance transparency and allow Member States to better assess the extent to which the Organization's financial and programmatic priorities are aligned with the broader objectives of the UN system. Mr. Vice Chair, in reviewing the implementation of Expected Result 5.1, Brazil notes with interest the identification of the adoption of geographical distribution policy as one of the relevant targets. Unlike most performance indicators, the achievement of this particular objective depends primarily on the active engagement and political will of Member States. Brazil believes that this goal deserves heightened attention and should be elevated within the Organization's performance monitoring framework. To that end, Brazil suggests that the Secretariat, in coordination with the Coordination Committee, explore mechanisms to institutionalize regular reporting on progress towards achieving equitable geographic representation across the Secretariat. This could include a dedicated section within future WIPO Performance Reports outlining concrete steps taken, consultations held with regional groups and barriers encountered. Such transparency would facilitate constructive dialogue and help identify practical ways to move forward collectively and effectively. To conclude, Mr. Vice Chair, Brazil commends the Secretariat for its overall performance and encourages further improvements in linking results to Sustainable Development Goals, particularly those related to development, equity and inclusivity. Thank you very much.

101. Canada: Thank you, Mr. Vice Chair. Canada supports the statement made by Japan on behalf of Group B. We express our appreciation to the Secretariat for the comprehensive WIPO Performance Report, and we welcome the results achieved thus far. The transparent and comprehensive account of WIPO's performance is significant and assists Member States in

being able to offer effective stewardship and perspectives that contribute to and help shape WIPO's meaningful work. Under Strategic Pillar 2, Canada takes positive note of WIPO having engaged over 12,000 stakeholders through open global dialogues on frontier technologies, including generative AI. WIPO's forward-looking approach and active outreach helps keep these emerging policy areas on the minds of innovators and Member States alike. Canada also takes note of WIPO's continued commitment to and support of a diverse and inclusive workforce, showcasing the progress on gender parity across various positions which provides an important data set to continue monitoring and an important baseline for continued progress. Thank you.

102. Poland: Poland aligns itself with the statements delivered by the Distinguished Delegate of the Republic of Estonia on behalf of the CEBS Group and the group of like-minded countries. We would like to thank the Secretariat for preparing the WIPO Performance Report and welcome the positive results and programmatic performance of the Organization in 2024. We note that most of WIPO's income comes from fees paid by users of its international IP systems, mainly the PCT, 76 per cent, and the Madrid System, 17 per cent. These percentage points emphasize the fact that the Organization's intellectual property registration systems play a key role in its budget and comprise its financial backbone. Therefore, we hope that the number of IP filings within those Global IP Systems will reach the estimated values for the current biennium. Poland recognizes significant progress achieved by WIPO in all Strategic Pillars. At the same time, we would like to bring kindly to your attention the slightly lower progress towards the achievement of the expected results for Strategic Pillar 3 reflected in the key performance indicators, as only 51 per cent of them are on track compared to Strategic Pillar 2, 100 per cent, or Strategic Pillar 4, 95 per cent. As Strategic Pillar 3 aims at providing high quality IP services, knowledge and data that deliver value to users around the world, this percentage deserves more attention to meet the defined targets for the biennium. We would be interested to know from the Secretariat if we may expect higher scores on the KPIs for this pillar in 2025. Under Strategic Pillar 1, we note with satisfaction that WIPO's social media engagement, including LinkedIn, increased by 11 per cent last year. Last year's World Intellectual Property Day campaign and the youth video competition achieved unprecedented engagement, and thus, successfully raised awareness about Intellectual Property worldwide. Every year, including last year, the Polish Patent Office joined WIPO in celebrating the World IP Day and organized a conference in Warsaw on IP and Sustainable Development Goals that brought a high number of participants who were able to share their views, experience and best practices, and we continued our collective effort this year. We also express our appreciation to WIPO for the evolution of the international normative framework for Intellectual Property under Committees, Working Groups, Committees of Experts and other bodies. We look forward to its continuation. My Delegation commends WIPO for a wide range of activities that extended IP reach to various stakeholders, including women, youth and designers. We also appreciate the booming activities of the WIPO Academy as a provider of IP skills and knowledge building. Poland is grateful to WIPO for a number of excellent initiatives that have been launched during the current biennium, in particular the ones for SMEs, startups and entrepreneurs, as well as the ones focused on IP-backed financing, IP valuation and IP commercialization. These directions reflect WIPO's priority of a demand-driven approach and strengthening assistance to innovators and business communities whose activities determine successful development of IP ecosystems. In conclusion, we would like to thank the Secretariat for the preparation of its comprehensive

report and would like to extend our appreciation to the Organization on its overall positive financial performance in 2024. Thank you, Vice Chair.

103. Republic of Korea: Thank you, Mr. Vice Chair. Regarding the WIPO Performance Report 2024, the Republic of Korea sincerely commends WIPO for its ongoing efforts to bridge the gap among Member States with IP education. The expansion of digital platforms, the establishment of the Intellectual Property Training Institution (IPTI) and the promotion of educational cooperation with international organizations are significant steps forward. As we look to the future, the Republic of Korea encourages WIPO to continue enhancing IP awareness and education with particular focus on addressing the IP capability gap resulting from the rapid advancements in artificial intelligence and other emerging technologies. It is essential to ensure that all Member States, including those with limited resources, can benefit from and contribute to this evolving landscape. The Republic of Korea has actively supported these goals through the Korean Funds-in-Trust, facilitating digital transformation in IP education and promoting inclusive training opportunities including specialized programs for women. We look forward to continuing our collaboration with WIPO and fellow Member States and sharing our experiences and expertise to foster a more inclusive and balanced global IP ecosystem. Thank you, Vice Chair.

104. Vice Chair: Thank you for your statement, and for the moment, I have no further Delegations on our list of requests for the floor. So given that the Secretariat needs to prepare their answers to the questions put by some Delegations, and taking into account that it is almost a quarter past 4 pm, we are going to take a ten-minute break so that you have time to grab a coffee, and we will be back in ten minutes for the answers from the Secretariat. Thank you.

105. Vice Chair: Thank you Delegates for joining me once again. We are going to give the floor to the Secretariat for them to respond to your questions and concerns, and I will hand over to the Secretariat, who will then hand over to other members of the team, if necessary, to respond to those questions. Thank you.

106. Secretariat: A number of Delegations mentioned Strategic Pillar 3, our Global IP Systems and the 51 per cent progress that we have made on the KPIs. I would like to start with that because there were really a high number of Delegations mentioning that. First, I would like to reassure Member States that the Global IP Systems remain one of our utmost priorities. We continue to very closely monitor the functioning of the Systems and invest in the evolution of the Systems. There were a couple of Delegations who mentioned the future growth task force. We go out and promote our Systems across the world, and in addition to that, we are investing in customer service transformation that is also happening across all the global IP Systems, and all of this is being monitored very closely by the Risk Management Group, which meets on a quarterly basis, or more frequently if needed, and is chaired by the Director General. It is obviously also very important for us because it is the financial foundation for our Organization, so we really need to make sure that the Systems are adequately resourced, and they function in a well-oiled manner. So, this was just on the first part. So now the question of why 51 per cent only. This is really only for technical reasons. There are some customer satisfaction surveys that are conducted to measure customer satisfaction for the Global IP Systems. They are only being conducted every second year. So, we do not have the data on them now in the first year of the biennium, but they will be there for the second year of the biennium. This is one of the reasons

why some of the key performance indicators under Strategic Pillar 3 are rated as not assessable at this point in time. To reassure the Polish Delegation as well, there will be data on these KPIs next year. We will be able to report back to you on them in the biennial WIPO Performance Report 2024/25. The other reasons, as was also mentioned by a number of Delegations, is that the filings in 2024 were, for some of the Systems, lower than anticipated, and that obviously means that the KPIs could not be assessed as being on track. Again, we have put mitigation strategies in place in order to ensure or try to ensure that we turn it around. So please rest assured that the Organization is doing the utmost for that. But we hope for them to be able to report back that they will be on track at the end of 2025, but on the customer service satisfaction surveys, they will only be conducted next year. There were some specific questions regarding the evolution of the Hague unit cost and pendency, and with your indulgence Vice Chair, I would like to hand over to the Head, Operations Service, the Hague Registry, to answer those questions.

107. Secretariat: I thank the Delegations of Japan on behalf of Group B and China amongst others for their questions relating to Hague pendency and unit cost increases between 2023 and 2024. With growing membership and usage of the Hague System over the last few years, it has required additional efforts to manage the increased workload as can be seen by example in the year-on-year increase in filings over the previous three years, including a double-digit increase of 10.3 per cent in new applications in 2024. As a result, 2024 has been a time of further change in the Hague Operations Service for both IT systems and the workforce. In 2024, the Hague Operations Service has onboarded several new examiners, which has created a level of overhead for training in the short term. This does, however, set the Hague Operations Service up for improved performance as the new examiners become fully effective. In relation to the IT work, the business areas continue to prioritize further improvements to the IT systems, working in collaboration with our IT colleagues, balancing business impacts against costs. Whilst the figures in the pendency table on page 80 shows a decrease in processing for some new applications, there is not an ongoing overall problem with average pendency. The average pendency for 2024 peaked in September in line with the increase in filings and continued training of our new examiners. It has reduced since currently being well under the one-month targets. For the unit costs, you can see in the table on page 79 for Unit Cost per New/ Renewed Design, there is usual fluctuation between the years for unit cost in the Hague Registry. As a result, given the increased efforts in training these new staff, it was expected to have such a minor rise in the unit costs for 2024. Overall, the Hague Registry is taking steps to appropriately resource and train our operations service team whilst making impactful improvements to our IT systems and keeping in mind a prudent financial approach. Thank you.

108. Secretariat: On the question by the Delegation of China concerning the budget after transfer, and this is the table on page 60 of the document in the English version. The amount of transfer into the Patents and Technology Sector in 2024 was 23.9 million Swiss francs. There was a transfer out of 14 million Swiss francs which means that the total net transfer was 9.8 million Swiss francs. Just to explain, this was the transfer of the Language Division from the Administration, Finance and Management Sector to the Patent and Technology Sector to enhance the synergies between the language entities, the translation entities in the Organization. Coming back to the figures, the transfer was 9.8 million Swiss francs net into PTS, which represented 4.6 per cent of the original budget of the Sector. I hope this clarifies the

question from the Delegation of China, but I am happy also to explain more bilaterally if required. Lastly, I would like to just mention to the Distinguished Delegation from Brazil about the development expenditure and SDGs in the WIPO Performance Report. On the actual development expenditure in every biennium, we report that back in the final WPR for the biennium. Because this is a mid-biennium progress report, it does not entail exactly the same amount of information that we have in the biennium WIPO Performance Report, but you will find the information on the various Sectors' contributions to the SDGs, the actual development expenditure, and the guidance of the Development Agenda recommendation that will be included, as is always the case, in the final WPR for the biennium. I think, Vice Chair, that I have answered all the questions. Thank you very much.

109. Vice Chair: Thank you very much for those explanations. I hope that those explanations from the Secretariat are satisfactory for Member States, but if there are any other questions that you wish to raise, then please do so now.

110. China: Thank you, Vice Chair. China wishes to thank the Secretariat for the detailed explanation on budget after transfers as well as the explanation on the Hague Unions. With regard to the transfer issue, we believe that it has something to do with the discrepancy between the practice at WIPO and Financial Regulation 3.4 because in the Financial Regulations, the focus is on the receiving Sector. If the receiving Sector is being considered, we might want to have a look at the PTS part in the table. It is indeed 4.6 per cent and 1.1 per cent in the transfer sector. These two percentages are from the total net of transfers. However, if we have a look at the Financial Regulations, we must check 'transfer in' because it is not 'transfer out'. Therefore, when we calculate the threshold of 5 per cent, we must use the amount of 23,915,000 Swiss francs as the numerator. After that, more than 200 million of the PT amounts should be the denominator and in the calculation. This is the point of my question, because we believe that there is a discrepancy between the actual practice and the Financial Regulations. We would like to suggest the Secretariat further study the situation and offer a solution. For example, might be in the meeting of PBC in June, a proposal can be put to the Member States for consideration. Furthermore, the reason of this issue might be that during the reforms of WIPO, the lack of transparency might have led to this issue. We would like to suggest the Secretariat take good measures to increase the level of transparency on important issues at WIPO. Regarding the Hague Union, I would like to thank the Secretariat for its response. I have a more concrete question that was not answered, which is on the IT project in the Hague in 2024. I would like to know whether the program was implemented or started to be implemented. Obviously, we are very much indeed inclined to discuss with the Secretariat in a bilateral way. Thank you very much, Chair.

111. Vice Chair: Thank you very much for your valuable comments, China. Those have been taken note of and also your desire to speak with the Secretariat bilaterally. So on this Agenda Item 4, you can see the proposed decision paragraph on the screen and I am going to read it out to you: "The Program and Budget Committee (PBC), having reviewed the WIPO Performance Report (WPR) for 2024 (document WO/PBC/38/3 Rev.), and recognizing its nature as a self-assessment of the Secretariat, recommended to the Assemblies of WIPO, each as far as it is concerned, to take note of the positive financial performance and Programs' progress towards achieving the expected results in 2024." That is the decision paragraph that I would

like to submit for your consideration. If you have any questions, you can ask for the floor. If not, then we consider it approved. Delegation of China, you would like the floor.

112. China: Thank you, Mr. Vice Chair. As I said just now, we continue to have doubts on the decision paragraph. We would like to suggest that we make a decision later on the decision paragraph. Thank you.

113. Vice Chair: On the request of China, the Secretariat will speak with you to clarify this issue, and we will come back to this tomorrow with the hope that we can finalize and approve this decision paragraph.

114. Vice Chair: The distinguished Delegation of China has a proposal for the decision paragraph of Agenda Item 4, WIPO Performance Report (WPR) 2024. I give the floor to the Delegation to present its proposal.

115. China: Thank you, Mr. Vice-Chair. I would like to thank you and the Secretariat for your patience regarding this agenda item. We hope to add a second small Roman numeral that I will read in English, "(ii) Requested the WIPO Secretariat to provide Member States breakdown data on personnel and non-personnel resources of concerned Divisions and programs which are to be transferred from one Sector (organizational entity) to another, or to be disbanded, in the performance report, starting from 2026." We have already sent the proposal to the Secretariat's email. If received, can the Secretariat please project it on the screen?

116. Vice Chair: Thank you very much for your comment. Of course, we will display it on the screen so that all the Delegations can see the text of your proposal. You can see at the top the text that was already included in the PBC document and then following that, the Delegation of China's proposal. I know we are proceeding quickly. I open the floor to the Regional Coordinators who wish to intervene. I will give the floor to the Delegation of Japan on behalf of Group B.

117. Japan: Thank you, distinguished Delegate of China, for your contribution and for elaborating this proposed additional paragraph. Our Delegation and members of the Group need time to consider the language of the proposal and to consult with our capitals. Therefore, we request some time until tomorrow for this. Thank you.

118. Vice Chair: Of course, it is perfectly understandable that you should wish to consult with the other Group members and your capitals. Are there any other requests for the floor? Do Group Coordinators wish to take the floor? I give the floor to Estonia on behalf of the CEBS Group first.

119. Estonia: Thank you, Mr. Chair. We are also aligned with Group B, and we kindly request that the proposal be circulated to the Group Coordinators by email. Thank you.

120. Vice Chair: Thank you for your comment. Of course, the proposal can be sent to Group Coordinators so that you can consult amongst yourselves. There is a request for the floor. I give the floor to the Delegation of Colombia.

121. Colombia: Thank you very much, Chair. I am speaking in my national capacity. I would like to thank the Delegation of China for the proposal for the second paragraph, Roman numeral

ii, which is well noted. However, can China explain the motivation and the reasons behind the proposal? This would be useful to us in our consultations with capitals. Thank you.

122. Vice Chair: Thank you for your comment, distinguished Delegate of Colombia. I agree, it would be good to know what motivates this proposal. Would the Delegation of China like to respond to this request from the Colombian Delegation?

123. China: Thank you, Mr. Vice Chair, and we thank Colombia for their question. Regarding this proposal, we referred to WIPO's Financial Regulations Rules (FRR), Regulation 3.4. that I will read in English "The Director General may make transfers of resources from one Sector (organizational entity) to another for any given budget period, up to the limit of five per cent of the amount corresponding to the biennial allocation of the receiving Sector (organizational entity), or to one per cent of the total budget, whichever is higher, when such transfers are necessary to ensure the proper functioning of the Organization. All transfers arising in the first year of the financial period shall be reflected in revised budget proposals, if any. All transfers in a financial period shall be reported to the Program and Budget Committee and the General Assembly<sup>2</sup>." As such, a cross-sectoral transfer and its related budgeting has been stipulated in WIPO's FRR and as also reflected in the relevant PBC documents. We believe that a cross-sectoral transfer that includes the disbanding of a particular Sector or division is very important. Therefore, we would like to have details regarding such transfers in the WPR. I do not know if my explanation is satisfactory. We are available for further discussions and consultations.

124. Vice Chair: Thank you, Delegation of China, for your explanation. Your explanations are very interesting and useful for your discussions with your capitals as well as within Regional Groups. I would like to reiterate my thanks for your explanations. I believe the Delegation of Colombia is satisfied with the response. I give the floor to the Secretariat.

125. Secretariat: Mr. Vice-Chair, thank you. I thank the Delegation of China for sharing its explanation. We are also seeing the proposal at the same time as you all, and we need to understand how we can address it. I would like to first point out that the internal structure of the Organization is the Director General's prerogative as he continues to implement WIPO's mandate and the Program of Work and Budget that you approved. Secondly, we provide responses through the Proposed Program of Work and Budget Q&A document, which is part of the dialogue process of the PBC. Thirdly, at the first glance reading of the language, it states "which are to be transferred", in the WPR. The WPR is by default a "looking back" document, that looks at the previous period. Therefore, we do not know what is going to happen in the future, in terms of transfers – this clarifies one question. We will certainly look at your other questions. Thank you.

126. Vice Chair: Thank you, Secretariat, for your explanations. Since we do not have yet an agreement on the proposed decision paragraph for Agenda Item 4, I will give more time, as requested to Delegations to discuss this with their capitals and Coordinators. We can move on now to Agenda Item 3, Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations.

127. Chair: We now have completed discussion on almost all the budget except one area pertaining to External Offices that we intend to take it up tomorrow morning. We do have time

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<sup>2</sup> <https://intranet.wipo.int/export/sites/intranet/homepages/finance/en/documents/frr.pdf>

and to utilize that time, I would like the Delegations to, if they wish to do so, comment on a proposal made by China pertaining to Agenda Item 4. In the morning session, China had explained its rationale and circulated its proposal in writing. I would request China to submit their written proposals regarding the KPI that they mentioned yesterday, so that we can circulate that to the membership as well. I invite your attention to the written proposals circulated by China on Agenda Item 4. I will open the floor if there are any comments on the proposal I just mentioned. The proposal is there before you on the screen as well. I can read it out. "The Program and Budget Committee (PBC): (i) having reviewed the WIPO Performance Report (WPR) for 2024 (document WO/PBC/38/3 Rev.), and recognizing its nature as a self assessment of the Secretariat, recommended to the Assemblies of WIPO, each as far as it is concerned, to take note of the positive financial performance and Programs' progress towards achieving the expected results in 2024. (ii) Requested the WIPO Secretariat to provide Member States breakdown data on personnel and non-personnel resources of concerned Divisions and programs which are to be transferred from one Sector (organizational entity) to another, or to be disbanded, in the performance report, starting from 2026."

128. Japan: Thank you, Mr. Chair. I will make a comment on behalf of Group B. We still need more time to consider and consult within the Group. I respectfully request to have more time, and I would like to come back to this agenda tomorrow.

129. Estonia: Thank you very much, Mr. Chair. Also, we are in the same lines with Japan on behalf of Group B.

130. Namibia: Thank you, Chair, for the floor. I think also for the African Group we also want to have more time to consult on the proposal and review it tomorrow morning. Thank you.

131. Chair: Thank you, Namibia. I do not see any other Delegation requesting the floor at this stage, but I do understand the same element from the three Group Coordinators. It was not our intention to rush the process but rather to note any progress that had been made, since the proposal had been explained. I fully understand the Group's request for additional time to coordinate within the Group and finalize its position. I do not see any request for the floor on this agenda item. Therefore, while I am pleased that we have made quick progress in terms of doing the reading of all agenda items, I am a little reluctant to take up the agenda item on External Offices because I received messages from some groups who, according to the program this was scheduled for tomorrow morning, were ready to be engaged on this agenda item tomorrow morning. So, this is where we are. I guess we have completed the reading of the rest of the documents. We are making good progress. What is needed ahead is more coordination. I hope the Delegations are speaking to each other on their proposals as well. The Secretariat is available and has been very helpful in explaining or helping the Delegations. Please reach out to them. The next two days it would be my hope that, with your cooperation, we make good progress and achieve consensus on as many items as possible. With this, I should adjourn the meeting for this evening, and we will meet at 10 o'clock tomorrow morning. The meeting is adjourned.

132. Chair: Thank you, dear friends, colleagues. Thank you for bearing with us. Let me first outline how we intend to proceed, with your permission. First of all, we will take up Agenda Item 4, where we have a revised proposal from the Delegation of China that was shared with you yesterday but has since been updated by the Delegation of China and shared with the

colleagues yesterday. We do have Agenda Item 3 still pending, where we hope if progress is made, it could be shared with the plenary. We have several proposals under Agenda Item 5, which have been shared with you. We can go over those proposals one by one. After that, we will return to Agenda Item 6 where some suggestions have been made. My understanding is that Agenda Item 6 would be taken up in the afternoon. We do have slightly more than an hour. I would request, for your cooperation and support, to make progress first on Agenda Items 4 and 3, and then Agenda Item 5. This is how I intend to proceed. If there are no objections, I will take up these items accordingly. I don't see any objections. This is how we will proceed then, beginning with Agenda Item 4. I would request the Secretariat to put on the screen the revised proposal made by China. The decision paragraph proposal from China on Agenda Item, WIPO Performance Report 2024, would read as follows: "The Program and Budget Committee (PBC): (i) having reviewed the WIPO Performance Report (WPR) for 2024 (document WO/PBC/38/3 Rev.), and recognizing its nature as a self assessment of the Secretariat, recommended to the Assemblies of WIPO, each as far as it is concerned, to take note of the positive financial performance and Programs' progress towards achieving the expected results in 2024. (ii) requested the WIPO Secretariat to provide Member States breakdown data on personnel and non-personnel resources of the Divisions which have been transferred from one sector (organizational entity) to another in the next performance report following such transfer." The decision is also before you on the screen.

133. Japan: We thank the Distinguished Delegate of China for proposing and revising the language for this decision paragraph. We were already consulted based on the original proposed language, but the revised language has been also circulated last night, and we need more time to consider and consult within the Group. We would like to go back to this paragraph again at earliest this afternoon. Thank you very much.

134. Chair: I do not see any requests for the floor at this time. Group B has requested some more time and probably also conveyed the willingness to take it up probably in the afternoon today. So, we will take it forward giving you more time to reflect on it.

135. Chair: Thank you, dear Colleagues for bearing with us, and I hope you have been able to look at the document that has been circulated. I am very pleased that finally this is the last session, and this is the session I am starting right on time as I indicated to you. Thank you very much for your cooperation, and as I said, we will proceed to adopt the decisions, which is a product of our informal consultations, in the formal setting. We are in the formal setting now, and with your permission, I will proceed with the decision on Agenda Item 4. We will then go to Agenda Item 6 and then Agenda Item 5 because it has the text, which has been shared with you, and we can have any comments if there are any on that decision. I request the Secretariat to put the text of decision on Agenda Item 4. This is the text for decision on Agenda Item 4, and a product of consultations with all of you. May I take it that the Committee can adopt this decision? I do not see any objection to this. The decision on Agenda Item 4 as displayed on the screen is adopted. Can we now have the decision on Agenda Item 6 on the screen? I do not see any objection. The decision on Agenda Item 4 as displayed on the screen is adopted.

136. (i) The Program and Budget Committee (PBC), having reviewed the WIPO Performance Report (WPR) for 2024

(document WO/PBC/38/3 Rev.), and recognizing its nature as a self-assessment of the Secretariat, recommended to the Assemblies of WIPO, each as far as it is concerned, to take note of the positive financial performance and Programs' progress towards achieving the expected results in 2024.

(ii) Requested the WIPO Secretariat to include brief explanatory notes on transfers between Sectors under the Regulations 3.4 of the WIPO Financial Regulation and Rules, in the WPR following such transfer.

## **ITEM 5            PROPOSED PROGRAM OF WORK AND BUDGET FOR 2026/27**

### **PROPOSED PROGRAM OF WORK AND BUDGET FOR 2026/27**

137. Discussions were based on documents WO/PBC/38/4.

138. Vice Chair: We will now proceed to Agenda Item 5. The two documents being considered are the proposed Program of Work and Budget for 2026/27 and the WIPO Estate Strategy. We will consider the proposed Program of Work for 2026/27 today and the WIPO Estate Strategy on Thursday. I will now pass the floor to the Secretariat for presentation on the proposed Program of Work and Budget for 2026/27.

139. Assistant Director General, Administration, Finance and Management Sector: Thank you very, very much indeed, Vice Chair. Very good afternoon, everyone. Our Director General in his opening remarks has outlined extensively the key features of the proposed Program of Work and Budget for the next biennium. So, I will be fairly brief and just say a few words for posterity. This proposed Program of Work and Budget for 2026/2027 is submitted to the present session of the PBC in accordance with Financial Regulation 2.2, for "discussion, comments and recommendations, including possible amendments" and pursuant to the Mechanism to further involve Member States in the preparation and follow-up on the Program of Work and Budget of the Organization. Overall income in 2026/27 is projected to reach 945 million Swiss francs, reflecting a 2.8 per cent decrease compared to the 2024/25 Program of Work and Budget. Our income forecast is prudent. It is based on the Chief Economist's low case scenario, which is building in a cushion in light of global economic uncertainties. Fee income from the global Intellectual Property systems represents 96 per cent of total income and PCT fee income alone represents 76 per cent. The proposed expenditure budget for the biennium amounts to 885.1 million Swiss francs, reflecting a modest 3.2 per cent increase compared to the 2024/25 Program of Work and Budget and after estimated IPSAS adjustments on expenditure, a surplus of approximately 7.6 million Swiss francs is predicted at the end of the biennium. The slight increase in personnel costs of 2.6 per cent is primarily due to statutory cost increases in salaries, 10 additional temporary positions and an increase in medical costs. There is no increase in posts, consistent with our endeavor to contain personnel costs as in the previous biennium. The 4.2 per cent increase in non-personnel resources is driven by the need to invest in high priority areas, as outlined earlier by the Director General. The Program of Work and

Budget for 2026/27 is firmly anchored in results-based management principles with built-in transparency and accountability. My team and the teams from across the Sectors, across the Organization stand ready to assist you in your consideration of this proposal. And so, with your permission, Chair, I'll hand over to the Secretariat to introduce a few brief updates to the document.

140. Secretariat: Thank you, Vice Chair. A couple of corrections to document WO/PBC/38/4, proposed Program of Work and Budget for 2026/27. On page 7 in the English version of the document, first bullet regarding PCT income, the percentage in the last sentence should read 3.5 per cent instead of 4.1 per cent. On the same page, third bullet in the last sentence, the word decrease should read an increase. And the table in Annex I, the budget after transfer, will be replaced. This is the same table as we have in the WIPO Performance Report on page 60 of the document, the Annex. It should be the same in the proposed Program of Work and Budget and will be corrected in the next version. Thank you, Vice Chair.

141. Vice Chair: Thank you very much for those explanations. I would like to now suggest that we have a systematic reading of the proposed Program of Work and Budget for 2026/27. I would like to propose the same methodology that I have proposed at prior sessions. As it is a long document, let's split it up and I would suggest that we start with the financial results and then look through two Sectors at a time. The Patents and Technology Sector and the Brands and Design will be taken together, then Copyright and Creative Industries Sector to be taken together with Regional and National Development Sector. The third group of two sectors would be Infrastructure and Platforms Sector together with Global Challenges and Partnerships Sector. Then the IP and Innovation Ecosystems Sector along with Administration, Finance and Management and finally the annexes and appendices. I count on your support for undertaking this in a constructive and efficient manner so that we can get through this whole budget and as the Director General said this morning, we hope that we can be in agreement in as many areas as possible that we can find consensus on as this is an initial reading and if that's not the case, then we will open up different items in the next meeting of the PBC which will be held in June. I would like now to open the floor to see if there are some general observations with regard to the Financial and Results Overview.

142. Japan: Thank you, Mr. Vice Chair. I want to make an introductory remark on the overall document WO/PBC/38/4. Group B extends its appreciation to the Secretariat for preparing the proposed Program of Work and Budget for 2026/27, document WO/PBC/38/4 under tight deadlines. We acknowledge the complexities of balancing financial discipline with strategic ambitions in an uncertain global economic environment. While WIPO's income is projected to decline by 2.8 per cent to 945 million Swiss francs, expenditures are set to rise by 3.2 per cent to 885.1 million Swiss francs resulting in a significantly decreased surplus of 7.6 million Swiss francs compared to 68.4 million Swiss francs in 2024/25. Even if we support WIPO's very prudent approach given extraordinary events and circumstances worldwide causing economic volatility and uncertainty, this sharp contraction raises concerns. We would like to hear more about WIPO's contingency plans for potential revenue shortfalls. We acknowledge and welcome strategic investments in digital transformation and cybersecurity upgrades which align with user demands for modernized services. However, the 4.2 per cent increase in non-personnel resources requires stringent oversight to ensure cost effectiveness. Group B reaffirms the critical importance of safeguarding one of WIPO's core mandates, enabling high quality IP

services. We respectfully request the Secretariat to conduct testing against multiple filing scenarios based on the recent economic situation and share its outcomes with the Member States. We welcome the focus on SME support, including the WIPO Global Entrepreneurship Empowerment Program which aligns with our priorities. While 23.4 per cent of the total expenditure is earmarked for development, we ask the Secretariat to demonstrate how duplication with existing and completed development agenda initiatives will be avoided. Regarding the proposed WIPO Development Acceleration Fund, we would appreciate more detailed information on this proposed activity. Last but not least, Group B emphasizes the need for rigorous expenditure prioritization, prudence and transparent risk mitigation strategies. We look forward to engaging constructively to ensure WIPO's long-term financial sustainability while advancing its mandates. Thank you, Mr. Vice Chair.

143. Vice Chair: Thank you. Yes, we are going to dedicate this section to general statements. I give the floor to Estonia on behalf of the CEBS Group. You have the floor.

144. Estonia: Thank you, Vice Chair. Estonia speaking on behalf of the CEBS Group would like to thank the Secretariat for preparing the comprehensive proposed Program of Work and Budget for 2026/27 and also for the informative WIPO Estate Strategy document. We also express our thanks to the WIPO team for engaging in an honest, comprehensive and systematic consultation process ahead of the PBC session. Overall, our Group acknowledges the key considerations of the proposed Program of Work and Budget for 2026/27. Investments in growth and customer service as well as in the adoption of new technologies and the reduction of administrative burdens are of utmost importance, particularly given that WIPO's budget is entirely results-based and its revenue depends on the provision of high quality services. Income in the biennium, 2026/27 is estimated at 945 million Swiss francs, and the revenue forecast reflects a 2.8 per cent decrease compared to the Program of Work and Budget for 2024/25. We agree that the conservative approach in revenue forecast is the appropriate course of action as it helps to mitigate risks arising from the highly volatile economic and geopolitical situation. However, we believe that the reasons underlying the projected decline in income partly attributable to a projected decrease in PCT filings, Madrid's registrations and renewals as well as the Hague fee income should be thoroughly analyzed. Reaching the solutions that are important for an effective growth strategy implementation should also be an integral part of our discussions within the proposed Program of Work and Budget. Our Group acknowledges the necessity of budget allocations across all four strategic pillars. However, striking an appropriate balance among priorities is essential to achieving optimal outcomes. Considering Strategic Pillar 1, we confirm the value of outreach activities that raise global awareness of Intellectual Property and believe that such efforts should continue. At the same time, the effective functioning of the committees remains a key component for CEBS for developing balanced international IP frameworks. We also underscore the value of the set objectives in Strategic Pillar 3 which aims to deliver high quality and modern IP services, knowledge and data that benefit users worldwide. In addition, our Group welcomes ongoing and new initiatives such as the Global Entrepreneur Empowerment Program which offers services to support entrepreneurs including micro, small and medium sized enterprises, spin-offs and start-ups in leveraging IP to succeed in the global marketplace. Nevertheless, during periods of declining revenue projections and global economic uncertainty, we believe that it is important to highlight the importance of the investment in the strategic planning of Intellectual Property and all expenditures must be

carefully analyzed. In light of the budget allocations for External Offices, the CEBS Group continues to request more detailed information regarding their operations, specifically the number of projects implemented, their formats, onsite, online or hybrid, and the number of beneficiaries reached through these activities. Considering the significant technological advances, including digital management and the development of all the services and machine translation that WIPO is actively adopting and prioritizing, it is both appropriate and necessary to examine the activities, outcomes and expenditures of the External Offices to assess their cost effectiveness. All this information is necessary to undertake an in-depth analysis related to the proposed budget allocated to External Offices for the 2026/27 biennium. CEBS countries continue their commitment to WIPO's work aimed at fulfilling the fundamental goals of this Organization aimed at strengthening the architecture for IP protection and empowerment globally. We share the view that these goals should embrace a variety of activities aimed at creating incentives through IP for women and youth, and assisting entrepreneurs, especially small and medium-sized businesses, that are the major source of innovation and growth in many countries across the CEBS region. Spearheading the development and economic prosperity should be a bedrock of our activities also here in WIPO. We, therefore, welcome all activities presented in the document that can approximate us to the fulfillment of sustainable development and growth. We acknowledge WIPO's responsiveness and adaptation to modern challenges and will continue engaging in efforts aimed at generating benefits through WIPO Green and climate change related projects. For CEBS at the same time, WIPO's greater engagement in matters related to AI and other new technologies is rather a necessity than a matter of choice given the developments on the ground. As IP has proven to be a tangible tool to drive growth and development, CEBS members will continue to engage in collaborative work aimed at developing user-friendly registration systems, including the ones that require further assistance and promotion such as one related to GIs. For this Group, these aspects remain very important in projecting and designing WIPO's work in the short and longer term. Our Group looks forward to constructive discussions on the proposed Program of Work and Budget for 2026/27 with the aim of achieving a balanced and transparent budget that supports the effective delivery of results across all four strategic pillars. Thank you very much.

145. United States of America: Thank you, Vice Chair. The United States supports Group B's statement, and the U.S. welcomes the proposed Program of Work and Budget and appreciates the effort that went into its preparation. We strongly support the important work that WIPO does to promote the protection of Intellectual Property throughout the world in accordance with its mandate. We value the contribution that the Program and Budget Committee makes 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 Program of Work and Budget is a document prepared by the Secretariat that can aid the members in this process while also serving as guidance for the Organization. As this Delegation has noted many times, the United States places the utmost importance on the principles of transparency, accountability, and good governance in UN organizations including WIPO. We would like to offer the following preliminary observations on the proposed Program of Work and Budget. WIPO's estimated fee income in 2026/27 is expected to decline from 931 million Swiss francs in 2024/25 to 903.3 million Swiss francs or negative 3 per cent. This is mostly driven by the 26 million Swiss francs decline in PCT based on an expected negative 5.1 per cent drop in applications filed compared to 2024/25. In addition, Madrid's income is expected to decline by

2.4 million Swiss francs ultimately contributing to Madrid operating at a projected deficit after IPSAS adjustment. Even though the Lisbon Union is expected to generate 100,000 Swiss francs more in the upcoming biennium and the Hague will generate 600,000 Swiss francs more, Lisbon, Hague, and Madrid will all be running deficits in 2026/27 compared to the income they will generate. In general, with respect to common expenses of the Unions, the U.S. would like to see greater movement towards proportionality and division of the common expenses amongst the Unions over time. We believe that a higher fixed percentage of common expenses in the 2026/27 budget would better reflect a more equitable contribution from those Unions that are not currently contributing to common expenses. In sum, we note that a 3.2 per cent increase in expenditure when there is a projected 2.8 per cent decrease in income is of concern. Additionally, the United States also objects to the framing of the proposed Program of Work and Budget in relation to the Sustainable Development Goals. The 2030 Agenda for Sustainable Development and the Sustainable Development Goals advance a program of soft global governance that is inconsistent with U.S. sovereignty and adverse to the rights and interests of Americans. The United States does not support work unrelated to WIPO's mandate and intended to advance the implementation of the SDGs. As such, the United States cannot accept a Program of Work and Budget that frames its strategy house or the work of each of its Sectors in terms of contributions to the SDGs. Regarding WIPO's development-related work, the United States also cannot accept the creation of a WIPO Development Acceleration Fund nor the proposed 23.6 million Swiss franc increase in development expenditure, particularly at a time when WIPO is predicting a significant decline in income. We take this opportunity to emphasize that WIPO is not a development agency but rather was established to promote the protection of Intellectual Property throughout the world. Thank you, Vice Chair.

146. Mexico: Thank you, Vice Chair. We have a general statement to make. We feel it is more appropriate to make it now because it addresses a number of cross-cutting issues. In doing so, we do touch upon a few specific issues so we will make this statement notwithstanding your instruction to make them as general as possible. Firstly, Mexico thanks the Director General and the Secretariat for having introduced the draft before us. We understand that the economic context in which it is being developed is uncertain. We support the cautious approach being adopted by the Organization which is seeking to strike a financial balance without compromising its capacity to operate. We particularly value the clear focus on the Development Agenda with actions aligned with the Sustainable Development Goals. Work related to the SDGs does not imply giving an external mandate to WIPO but rather it means that its own mandate can be used as a tool for development. WIPO's Development Agenda, supported by all Member States, encourages IP being integrated into the SDGs, including a reference to the SDGs. The challenges of development does not oblige any state to adopt positions outside of its national framework. It is a voluntary framework and that is something which is voluntarily accepted by the majority of WIPO Member States. Each Member State can adopt SDGs in accordance with their sovereign objectives. Further, and in line with the elements outlined in GRULAC's general statement, we would like to seek a way of implementing WIPO's objectives by maintaining the work program on gender and IP as well as pursuing the objectives of inclusion of individuals with disabilities within the UN system. Both of these areas of work are fundamental if we are going to build an IP ecosystem which is more representative, equitable and accessible. In this context we also welcome the launch of the new Development Acceleration Fund which constitutes a positive step forward towards achieving specific

outcomes in this area, in particular for developing countries and most vulnerable communities. We note with interest the commitment that WIPO has expressed with regard to transforming its organizational culture. We see this as an effort to promote shared conduct and values which reflect fundamental principles of the Organization. However, we would like to note the absence of a specific indicator in the budget which allows the resources assigned and the progress made towards this transformation to be measured. We request further information on the plan being developed which should include a clear mission and vision, clearly defined objectives, and a timeframe for implementation and impact measurement mechanisms. We would emphasize that such a plan should contain specific measures to prevent and combat any kind of harassment in the workplace, including sexual harassment. Finally, we would like to underscore that the recently adopted Pact for the Future includes commitments which align with the area of work and the mandate of WIPO, in particular with regard to innovation, sustainable development, digital inclusion and international cooperation. In the future, it may well be useful to more explicitly identify which elements of the budget contribute to moving such commitments forward. That would strengthen the coherence of the Organization's work in line with the objectives shared by the multilateral system.

147. United Kingdom: Thank you, Vice Chair. I'm honored to make this statement on behalf of all 27 Member States of the EU, CEBS, Australia, Canada, Japan, Monaco, Norway, Switzerland, Türkiye and the UK. This group of like-minded Member States welcomes the overall framing of the document and the multiple considerations that have been taken into account, including the core mandate of WIPO, its adherence to the Sustainable Development Goals as a member of the UN family and necessary prudence due to the current global financial setting. I would like to make a couple of slightly more specific comments. With regard to the section on Infrastructure and Platform Sector, we support the planned initiatives and budgeted resources for IP and frontier technologies, including AI. The evolution of frontier technologies and AI is a cross-cutting topic that affects all Member States in all sectors and we welcome the continued focus in this area. With regard to the Global Challenges and Partnership Sector, we recognize the Sector is an important part of WIPO's efforts to address pressing environmental and socioeconomic issues through Intellectual Property. We commend the Secretariat for its continued expansion of WIPO Green, inter alia, supported by a dedicated allocation of 6.8 million Swiss francs and note the projected increase in green technology matches and partnerships in the coming biennium. We welcome the focus on scaling up climate technology transfer, engaging a broader network of private sector partners and tracking the real-world impact of these initiatives. Thank you.

148. Vice Chair: Thank you. I would remind all Delegations that we are going to be looking at details on a Sector by Sector basis. While it might be interesting to focus on specific details of the Program of Work and Budget in a general overview, we will have the opportunity for a detailed consideration subsequently. Please do raise any specific details when we come to considering the Sector in detail. Please make general comments for now.

149. Japan: Thank you, Vice Chair. I'm speaking on behalf of Japan in my national capacity and this Delegation aligns itself with the Group B statement. We would like to commend the Secretariat for their hard work in preparing the proposed Program of Work and Budget for 2026/27. In allocating the budget, we believe that WIPO should give priority to maintaining and improving the quality of its services given that more than 90 per cent of its income is derived

from fees from the PCT and other international application and registration systems. From this perspective, it is commendable that nearly 290 million Swiss francs have been allocated for improved productivity and service quality among WIPO's global IP systems, services, knowledge and data under Expected Result 3.2. The development of the Program of Work and Budget is an important model for WIPO's future initiatives and Japan would like to participate actively and constructively in these discussions. Thank you, Vice Chair.

150. Brazil: Thank you, Mr. Vice Chair. Brazil would like to thank the Secretariat for the preparation of document WO/PBC/38/4 presenting the proposed Program of Work and Budget for 2026/27. We commend the Secretariat's disciplined financial planning which reflects a balanced approach between prudent resource management and continued ambition to deliver meaningful impact for Member States. The proposal outlines total expenditures of 885.1 million Swiss francs with estimated income of 945 million Swiss francs resulting in a projected surplus of 7.6 million, even under a context of moderate-income decline. This reflects sound financial stewardship, especially in light of expected reductions in demand for fee-based registration services. In this regard, Brazil underscores that the healthy level of accumulated reserves now over 700 million in net assets provides the Organization with a strong safety margin. Therefore, we caution against arguments that seek to curtail investments or initiatives that are essential to the interests of developing countries. Budgetary prudence must not come at the expense of ambition where development is concerned and where IP is most welcomed. Mr. Vice Chair, Brazil welcomes the continued integration of the WIPO Development Agenda and the 2030 Agenda for Sustainable Development into the Program of Work and Budget Framework. We note in particular the inclusion of references to specific SDGs and Development Agenda recommendations across sectoral chapters. This represents a qualitative advance in transparency and alignment. However, we reiterate again our longstanding position that further quantitative progress is needed. The absence of clear financial allocations to Development Agenda activities and SDG-related outputs makes it difficult for Member States to assess the effective prioritization of these goals. We, therefore, suggest that future versions of the Program of Work and Budget link SDG and Development Agenda references directly to each Expected Results, not just to broad sectoral descriptions. This would enhance traceability, accountability and strategic coherence. We call on Member States to resist any attempts to reverse or dilute these references. As a UN specialized agency, WIPO abiding by the SDGs is not optional. It is a system-wide responsibility. Mr. Vice Chair, this Delegation has some other additional points to raise, but in reference to a specific matter, I would like just to anticipate one of them. We welcome in this sense the proposed continuation of the Development Acceleration Fund as a successor to the build back fund. This initiative has proven its value through concrete projects, including successful experiences in Brazil, such as the initiative on IP and Afro-Descendant Women. We fully support maintaining and expanding this fund. Thank you very much. The other additional points I will raise specifically as you instructed us. Thank you very much.

151. Canada: Thank you, Mr. Vice Chair. Canada supports the statement made by Japan on behalf of Group B. Canada thanks the Secretariat for the proposed Program of Work and Budget for 2026/27. Canada concurs with the prudent, disciplined financial approach under which this document has been developed, including the zero-post increase policy emphasized in the Director General's foreword. Maintaining such a policy will be especially important in the current global economic context but specifically given the limited operating result margin

anticipated under this Program of Work and Budget. Canada recognizes and appreciates WIPO as the premier global IP forum with its registration services performing a key function. All efforts should be made to maintain, enhance and develop critical IP services. Canada continues to support the integration of the Development Agenda into WIPO's results-based management framework. Canada encourages WIPO to continue efforts to increase the visibility of the Organization, its services, tools and activities among stakeholders, especially SMEs and groups that are underrepresented in IP systems such as women, youth and Indigenous Peoples. Canada sees significant value in the role that WIPO can play in Member State driven norm setting and policy making activities and positively receives the priorities identified by different Sectors to that end. More specifically, Canada encourages the Secretariat to ensure that WIPO maintains momentum on policy work and information sharing regarding developments in frontier technologies including AI. On this topic, Canada knows that AI features heavily in this draft document with different Sectors planning to incorporate emerging AI technology in their activities not only to enhance the efficiency of their operations and services but also to facilitate dialogue on AI and IP. Canada would welcome more information on how WIPO will coordinate the effective and efficient integration of AI into its activities and operations across the Organization and how it will facilitate a broad dialogue on AI across multiple IP areas. Canada also welcomes the added emphasis and prioritization given to improving the customer experience with WIPO's services again across multiple Sectors while being mindful of the projected decline in filings. Canada would similarly appreciate more information on how this priority will be managed and coordinated across the Organization. Thank you.

152. France: Thank you very much, Vice Chair. My Delegation would align itself with the statement made by Japan on behalf of Group B and would like to take the opportunity taking the floor for the first time to welcome your guidance of our discussions this afternoon as well as that of the Chair this morning. We would also thank the Secretariat for preparing the proposed Program of Work and Budget for 2026/27 and all of the documents for this Committee's work. We welcome the rigorous and balanced approach taken to assign resources to respond to the strategic priorities of the Organization and welcome the emphasis placed on strengthening Intellectual Property systems as a lever for sustainable development, inclusive innovation and socioeconomic transformation. Intellectual Property plays an essential role in seeking solutions to global challenges whether we are talking about climate, health, education or equitable growth. We welcome and emphasize the importance of continuing to strengthen capacities and facilitate access to WIPO global tools such as the four international registration systems and encourage the strategic use of Intellectual Property by innovators, SMEs and local communities in all regions of the world. This will allow the Organization to play a key role in achieving the United Nations 2030 Agenda for Sustainable Development. In conclusion, we would reaffirm our support for the work of the Secretariat and our intention to work collaboratively to contribute to the review of this proposed Program of Work and Budget and strengthen even further the central role of WIPO in the global Intellectual Property ecosystem. Thank you.

153. Algeria: Thank you, Mr. Vice Chair. The Delegation of Algeria would like to express its appreciation to the Secretariat for the clear and comprehensive presentation of the proposed Program of Work and Budget for 2026/27. We take note with satisfaction of the prudent and disciplined financial approach adopted by the Organization, particularly the balanced effort to contain expenditure growth at 3.2 per cent. The projected surplus of 7.6 million Swiss francs

reflects the sound financial management of the Organization. Mr. Vice Chair, Algeria welcomes the emphasis placed on strengthening WIPO's development-oriented dimension as evidenced by the increase in development expenditure to 23.4 per cent of the total budget. This aligns well with our shared objectives of promoting a more inclusive Intellectual Property system that supports the development priorities of Member States, particularly developing countries and LDCs. We particularly appreciate the proposed reinforcement of support for SMEs, the creative economy and technology transfer. We are also encouraged by the continued investment in the WIPO program related to IP and innovation ecosystems, capacity building and support to youth and women entrepreneurs. Furthermore, Algeria supports the introduction of the Global Entrepreneurship Empowerment Program which holds great potential to empower local innovators and help small enterprises harness the full value of their intangible assets. We welcome as well the creation of the Development Acceleration Fund. Mr. Vice Chair, we note with interest the introduction of new initiatives including those aimed at enhancing data infrastructure and digital transformation. While we fully support efforts to improve efficiency, we stress the importance of ensuring equitable access to the benefits of digitalization for all regions. Algeria also welcomes the enhanced focus on partnerships, particularly with UN agencies and regional institutions to ensure that the Organization's work remains incurred in broader development frameworks including the 2030 Agenda for Sustainable Development. Finally, we encourage the Secretariat to maintain its commitment to a geographical balanced, demand driven technical assistance and meaningful integration of development priorities in all areas of WIPO's work. Thank you, Mr. Vice Chair.

154. Spain: Thank you, Vice Chair. I would also like to take the opportunity as it is the first time that Spain has spoken, to thank you for your Chairing and to thank the Secretariat for the work they have done preparing for this Committee. We would like to talk about a very specific aspect in Table 1 of the proposed Program of Work and Budget which forecasts a biennial operating surplus of 7.6 million Swiss francs, which could represent an annual surplus of 3.8 million Swiss francs. These figures, while generally positive, are far from the performance of recent years, with operating surpluses consistently exceeding 50 million Swiss francs. The Spanish Delegation appreciates that the proposed Program of Work and Budget is prudent and financially balanced, but we are concerned that the fluctuations and uncertainties of this period could affect this narrower margin of surplus that is projected. In this regard, we would first like to know if you have an estimate of financial income for the two-year period 2026 and 2027 and whether we could count on it for a larger surplus. Secondly, we would also like to know, in relation to possible scenarios in which the forecasts are not fully met, whether there are, as Group B has already indicated, specific contingency plans to mitigate the risk of an operating or financial deficit. Thank you very much.

155. Russian Federation: Thank you Vice Chairman. The Russian Federation would like to thank the Secretariat for the preparation and presentation of the proposed Program of Work and Budget for 2026/27. In developing the future Program of Work and Budget, we proceed from the need to enhance the role of evaluation, create the necessary conditions for its improvement by improving interaction between different Sectors and bringing into practice strategic planning on measures for evaluation. Considering the fundamental importance of the principle of multilingualism which was confirmed today by the WIPO Director General, we also consider it particularly important to consolidate the priority area of expanding the language regimes of

international registration systems within the framework of strategic areas of work. As we noted during the discussion on the WIPO Performance Report 2024, we see the need to unify and align the performance indicators and the criteria for evaluating international registration systems. With regard to the forecast of incoming Intellectual Property applications, we believe that it's important to take into account the realities on the ground, as well as national and regional specificities. Prudent forecasting enables us to improve risk response strategies. In addition, the decrease in activity of applicants in the international registration systems may indicate a lack of attractiveness of the global mechanism for applications and this shows that it is necessary to develop and improve the global services of WIPO and to increase their quality. With regard to External Offices, we expect that WIPO will continue to fully support and finance their activities so that the External Offices can continue to carry out their work and the mandate to provide global IP services on the ground. We note the stable financing of the Organization and we believe that most important criteria for the Program of Work and Budget should be making the international Intellectual Property system user friendly and not changing with the current political context. Thank you.

156. Egypt: Thank you, Vice Chair. The Egypt Delegation thanks the Secretariat for preparing the proposed Program of Work and Budget for 2026/27 contained in document WO/PBC/38/4. We appreciate the commitment of WIPO as a UN specialized agency to continue its commitment to the Development Agenda and the UN Sustainable Development Goals across all Sectors and the inclusion of these goals in its Program of Work and Budget. We welcome the increase of the Development share in the proposed Program of Work and Budget and the introduction of the Development Acceleration Fund. We are confident that with the proposed Program of Work and Budget WIPO will be able to continue its financial prudence with an expected surplus of 7.6 million Swiss francs and to further enhance the Organization's role in supporting Developing and Least Developed Countries. We are looking forward and are confident that the Organization is able to adopt a financially sound resilient and development-oriented program and budget. I thank you, Vice Chair.

157. Poland: Poland fully endorses the statement delivered by the Distinguished Delegate of Estonia on behalf of the CEBS Group and the Distinguished Delegate of the United Kingdom on behalf of the like-minded countries. My Delegation would like to thank the Secretariat for preparing the proposed Program of Work and Budget for the next biennium. We note with satisfaction that the proposed Program of Work and Budget is fully aligned with the four strategic pillars set out in the Medium-Term Strategic Plan 2022-26 and comprises a good basis for our further discussions on the common vision and mission of WIPO for the next biennium. We are concerned that in the coming biennium WIPO's income is estimated to be reduced by 2.8 per cent to 945 million Swiss francs whereas the expenditure is estimated to rise by 3.2 per cent to 885 million Swiss francs. Against this background we would like to learn more about WIPO's strategy to continue to deliver and grow. On this note we believe that WIPO should successfully continue its core responsibilities and traditional areas of strength by refining and providing high quality services for the benefit of users of the PCT, Madrid, Hague and Lisbon Systems so as to ensure that they are customer centered and that their filings numbers grow steadily. Declining filings are a source of our concern. We are looking forward to receiving more information on whether this is a temporary drop or whether WIPO would take any steps to monitor the implications of this downward trend and take any mitigation measures to stop it.

This Delegation sees the need for further and more in-depth understanding of the budget allocation process for the WIPO External Offices. As it was reiterated by Poland in the past, the continuously unchanged budget for the WIPO External Office in Moscow does not reflect the provision by WIPO of a reduced level of activity for this External Office. On a positive note, we acknowledge that any support to use IP to maximize business potential and competitiveness is highly provisioned for and appreciated. Therefore, we welcome the introduction of the Global Entrepreneurship Empowerment Program which offers services and resources designed to help entrepreneurs, SMEs and enterprises. We would be delighted to learn more about this one-stop-shop program. Last but not least, we would like to emphasize that the proposed budget should take a balanced and demand, result and development driven approach. We emphasize the need to reflect the high dynamics of the volatile economic environment, growth of innovative sectors and development of new technologies including artificial intelligence. Thank you Vice Chair.

158. Vice Chair: Some delegations have made general statements and general questions with regard to the proposed Program of Work and Budget. Some of you have raised very specific questions which the Secretariat will need to look at. But we are moving towards the end of today's time. So I would suggest that we allow the Secretariat to come back tomorrow with the responses to those questions that you have raised and that we move on tomorrow to the Patents and Technology and Brands and Designs Sectors and hopefully we will also be able to finalize Agenda Items 3 and 4 which remain pending. With that, this session is adjourned.

159. Chair: Good morning, dear colleagues and welcome to the second day of the Program and Budget Committee. Let me first thank you for your constructive engagement yesterday which has enabled the meeting to progress further. As I understand, last evening there were comments on the Financial and Results Overview of the proposed Program of Work and Budget. We shall proceed first with any comments that any Delegation may wish to make on the Financial and Results Overview before we proceed to each Sector. Indeed, as I have said earlier and as the Vice Chair has said earlier, we count on your constructive engagement and diligence to work efficiently and effectively for the reading of the proposed Program of Work and Budget and that you agree on as many aspects as possible where there is consensus so that key issues are addressed. This ensures that we eliminate any duplication of work, and we do not reopen issues that have already been addressed here, in the PBC 39 June session. With this, I will request if there are any Delegation that wishes to take the floor with regard to the Financial and Results Overview. I take it that no Delegation wishes to speak further. I understand that this Financial and Results Overview was discussed last evening. With this, as we stated earlier, I will proceed with the review of two Sectors at a time and we will start with the Patents and Technology Sector and Brands and Design Sector. I think the Secretariat wishes to respond to some of the queries that were made yesterday. So, before we proceed with the discussion of the two Sectors, I will hand over the floor to the Secretariat to respond to the queries made yesterday. Thank you.

160. Assistant Director General, Administration, Finance and Management Sector: Thank you very, very much indeed, Mr. Chair. Thanks for your patience. A very good morning to everyone. I'll start the response to some of the questions. There are a number of questions in the closing session of yesterday and so I will provide some framing comments and then my dear colleagues from amongst the Sector Leads and more widely will respond to some of the more detailed

questions and, of course, we stand ready to follow up as required. Let me start with our overall statement of income and expenditure and in particular in response to questions from several Delegations concerning the forecasting in our proposed Program of Work and Budget. Let me share with you that, as a result of that uncertainty, we have significantly stepped up our work in this area. We have built the overall Program of Work and Budget very much with financial prudence in mind. It is based on an economic forecast, a conservative forecast that was first made in January. Our Chief Economist is here in the room with us, he can explain further as per any further follow-up questions, but it is a conservative forecast. We see the situation in general very different from the global financial crisis, for example, when monetary supply dried up and that hit research and development very, very hard. By contrast, today we see the situation much more of a case of a wider general uncertainty and indeed moreover, we see that technology remains core, increasingly core to economic competitiveness and that ultimately should be good news for IP and so we are confident that enterprises will continue to want to protect their ideas across borders in order to ensure their international success. I think that was very much borne out by our April forecast, so we reran the numbers again in April, by the Chief Economist and that April forecast does not show any change in projected filings compared to January. And so, therefore, at this stage, we do not think the basis for the overall proposal needs any adjustment. I would also like to add that, of course, revenue is not entirely out of our control. We are working very hard also to grow our revenue base, to grow the top line and like many IP offices, we are working across the Organization, across the different systems. We have a dedicated task force looking at this, really to ensure that we promote our services as widely as possible to entrepreneurs and to businesses and that work will be underpinned by our new customer relationship management system that also allows us to look across the different registries and understand our customers better. We are trying to make our systems better for our customers as well. That should ultimately help to drive demand, better technology, better user interfaces, better customer service. My colleague ADG Ken is in the room, and I think we will talk a little bit more about that shortly. And to reassure, to reiterate, we are not taking anything for granted. We are monitoring the situation very, very closely. Our Chief Economist is stress testing the model based on developments in GDP, trade and interest rates and these scenarios will further inform our understanding of demand and of income in the near and medium term. The operations of our global IP services will at all times continue to be prioritized. We will remain prudent and we have a flexible planning and contingency measures in place that will allow us to react to developments as they occur. And again, this is underpinned by our results-based management approach that allows us to make any adjustments ultimately to expenditure with a very clear view on what the final impact on results would be. Let me also commit to continued transparency in this area. We will certainly continue to share updates with Member States on these matters, including through the business continuity dashboard that provides timely information on our filings, it's published on a quarterly basis. Many of you will remember it from the COVID years, where I think there were questions and interests from Member States around the evolution of our demand, our income, our income flows and so that should also, I hope, provide information and transparency and reassurance to Member States. But let me summarize. Overall, this is not a reckless budget. The surplus is much reduced from previous biennia. In previous biennia, we have done, we have made surpluses in the tens, high tens, hundreds of millions of Swiss francs. We don't see that would be appropriate at the current time given the current conditions. The surplus does come down, but this is not a reckless budget either. This is a budget that is prepared very much on the basis of conservative forecasts and

conservative projections. Let me turn briefly to investment income, because I think there was a question on whether or not if our income from our registration systems were to drop, whether investment income could or should make up any of the shortfall. What I would say from a very broad perspective, I would agree with the premise that we have in WIPO a very strong asset base. We are very fortunate. We are not in the position of some other parts of the multilateral system, where there are solvency or liquidity issues. We have a strong base through our investments. We are conscious of the global economic uncertainty and so, as we manage those investments, we continue to have an unwavering focus on diversification, on risk, but also maintaining our long-term view. And that is all underpinned by a governance and risk framework that remains, we believe, best in class. We have made some improvements to it, and I believe in the agenda for the second Program and Budget Committee of this year we will dive a little bit further into all of that, but happy to take any immediate questions today. As the economic conditions evolve, we will continue to adhere to those core investment principles. We want to avoid knee-jerk reactions. We want to maintain a diversified portfolio and we also want to ensure sufficient liquidity for the operations. I would, however, avoid making a direct link between investment returns and any changes in our revenue forecast. The investment returns, particularly the strategic investment returns, are very much intended to meet our future liabilities, of course, including our after-service health insurance liability. So, the returns from our investments are part of our response to those long-term liabilities and, of course, the markets are not entirely within our control, but again, the overall asset base of the Organization is strong. Member States previously decided to set aside a fund, a mandatory reserve. We call it the rainy day fund. The rainy day fund, which amounts to 25 per cent of the annual expenditure. We hope never to use it. We don't expect to use it, but it is a safety net and I hope provides some additional reassurance of the overall strong position of the Organization as we go into the future biennium. Mr. Chair, with your permission, I will pause there and I think Chitra is going to guide us through some of my colleagues who will build and evolve on those issues further. Chitra, over to you.

161. Deputy Director General, Brands and Designs Sector: Distinguished Delegates, ladies and gentlemen, very good morning. It is an honor to be the first one to address this morning's PBC session on behalf of the Sector. The key question I am going to answer together with the support of my team is how we can manage the registries' business in this uncertain economic situation. We have been working a lot. Even now initiatives are underway in the INTA event which is being held in the United States, aiming at improving our customer service to make it more user friendly and to establish a more direct connection with our end users. Having said that, I would like to invite the Senior Director of the Madrid Registry, to share some good news regarding our customer service improvements. These initiatives are aiming at the future growth with efficiency and good quality.

162. Secretariat: Echoing what ADG Staines and DDG Wang just said, I would like to give you a brief overview of how we are addressing the situation in Madrid. I believe there are three chapters to our story: growth, customer service, and cost management. Regarding the growth chapter, as we explained in last year's session, we observed that filing rates were flatter than they have been historically. In response, our entire Organization - not just Madrid but also PCT and Hague - are part of the Growth Task Force to take a more systematic approach to stimulating filings worldwide. Some key aspects of our strategy include: (i) Using data analytics

to identify firms that should be utilizing our systems more frequently, allowing us to approach them individually; (ii) Developing targeted promotion programs in priority countries; (iii) Enhancing our digital marketing efforts; and (iv) Establishing more interactive partnerships with local stakeholders. This represents a significant organizational initiative that we believe will yield dividends in the medium to long term. On the customer service front, we are shifting from an examination-focused approach to a customer support service orientation. Traditionally, our staff primarily examined applications and processed transactions submitted to the Madrid Registry. Now, we are increasingly defining their role as helping users navigate our systems. We aim to transform our workforce into a team that actively and interactively supports users, and we have implemented several specific initiatives toward this goal. DDG Wang mentioned one such initiative called eMadrid—a completely new platform for users to manage their Madrid applications. This represents a significant improvement over previous systems and will be unveiled today at INTA in San Diego. While attendees are likely still sleeping now, this platform will be launched in approximately seven hours, and we look forward to user feedback. Another example of our customer service improvements is our team reorganization. We recently created a new processing team in Madrid focused exclusively on repeat users, or what we call "key accounts." These are typically clients with multiple filings whose requirements are more sophisticated than those of other users. We have assigned our best examiners to this team to ensure these valuable clients receive optimal service. We are implementing numerous other customer service initiatives, including the CRM initiative mentioned by ADG Staines, which colleagues may elaborate on further. Finally, regarding costs, we believe that technology offers tremendous opportunities for better cost management in the future. Should filing rates develop negatively for a sustained period, our technological infrastructure positions us to make necessary adjustments. However, as previously mentioned, it is important to avoid hasty reactions and instead carefully monitor how filing rates evolve over the coming years. Thank you very much.

163. Deputy Director General, Brands and Designs Sector: Thank you, David. I hope that what you just illustrated will leave an impression on the delegates about what we are doing. Although this is the Madrid part, we have also Hague which is really making good progress and has done so consecutively for three years. The filing rate has been record high. The only one among WIPO services which is still on the upper thread. But I would like to invite Sidney to say a few words about what the Hague Registry is doing to maintain costs while growth increases. Sidney, I hope you are ready.

164. Secretariat: Thank you. In the Hague system, we are similar to Madrid. We recognize that customer service is a very integral part. We acknowledge that making the system more user friendly is very important to having smooth access to the system for users and potential users. And similar to Madrid, Hague is also aligning with the shift from examination focused outlook to customer service focused outlook. Some of the examples of what Hague is actually implementing at the moment is closer engagement with our users such as through regular webinars where we provide users with more information to help them in their use of the system. As well as improved management of our "Contact Hague" and other avenues where we incorporate a more user-friendly, user-focused approach to answering questions and dealing with any problems that people face. Similarly, we have our IT systems that we put a lot of our effort into to smooth out the processes that people encounter. Hague has actually had a similar

version to eMadrid for a little while in the eHague System which is our main customer focused IT system. It's set up to help customers manage and interact with their applications and provide them that easy avenue to be able to know what's going on and also to do any of the modifications or changes that they need to make. In undertaking all of these customer-focused changes in the Hague Registry, we're actually seeing some really good improvements not just from the way customers are feeling about our products but the responsiveness in terms of if there's a question, how quickly we can actually respond to it. This goes a long way into, again, focusing on the customer and helping them to improve the way or to have a smooth interaction with the Hague System and hopefully that gives a bit of an insight into some of the things that Hague is focusing on in terms of the customer service. Similarly, as David has just said, the view to the cost involved is also another focus. This is where, as I said yesterday, Hague is targeting the key improvements where we interact with our users to find out what would benefit them most. In doing so, we prioritize our IT changes, to again, go for these customer focused better improvements where we manage the cost but provide the benefit. And I thank you for that. Hopefully this has answered, given a bit of an insight into what Hague is doing at the moment.

165. Deputy Director General, Brands and Designs Sector: Mr. Chair, allow me just to give my last but not least words concerning what we are doing in the BDS. Since we are budgeting for 2026/27, and may have some deficits, facing that situation, the Sector itself is already starting to develop a saving strategy and methodologies in basically three aspects. One is a better realignment of the business to make it more slim, simple, and efficient. Second is to reduce the cost by using AI to help the examiners and other admin work to reduce the cost. And third, of course, the most important, better management of our staff to empower them to use all the available means to sustain the cost but increase productivity. Thank you very much.

166. Deputy Director General, Patents and Technology Sector: Good morning, everybody. And thank you. Thank you, Chair. To try to give an overview of what's happening primarily in the PCT, I could pretty much reiterate what David said about Madrid because the two organizations' areas have been working very closely for quite a while in making sure that we are as efficient as possible and doing as much outreach as possible. So, a few things specific to PCT that we are working on. Primarily, everything we do comes down to one of three areas: outreach, customer support or customer experience, and staff development. For customer experience and customer support, many of you know that we have moved from an application-driven process to an applicant-driven process, upskilling our staff to be knowledge providers instead of just formalities checkers. This includes having examiners working with specific large users, whether corporations or law firms, to increase the depth of their knowledge so that they can answer questions directly as they come in. We have found that this has worked very well. The two pilot teams that we created and worked on throughout 2024 were finalized with a very successful rate or high rate of success. We are now moving the other eight teams over time into that new development, similar to what we did with the pilot teams. We're also working with ICTD to be sure that the transfer of the PCT IT group goes smoothly into the ICTD under the CIO, such that no PCT involvement would slip, and none of the work would slip. And so far, we have seen that to be very successful and the two teams, the business unit part of the IT that stayed in the PCT and the IT part that went to the CIO's team, are still working very carefully, very closely together to ensure our work remains on track. For customer experience and customer support, we are

also moving in the direction of marketing efforts. We have hired a marketing specialist to come into PCT to work with us in developing a strategic plan for marketing overall for PCT. We are just sort of in the groundbreaking stages of that and hope to have a strategic plan in place, a very formalized strategic plan for everybody to be working from by the end of this year. We are also doing a lot more work in AI, primarily in translation, which is where you saw the 4.5 million Swiss francs savings, in part, that's also from the new procurement procedures we have adopted. We will continue that so that we will at least continue the 4.5 million Swiss francs savings per year, but the work that we are doing in AI in translation, if it all works out the way we believe it will, we will see significantly greater savings over the course of the next few years. We are also using AI now in areas like operations, looking for ways we can make ourselves even more efficient, in addition to the work. We have already done with the pilot teams, things where we can use AI for regular tasks and allow the staff who have been really upskilled to continue to do the higher-level work. And finally I will mention that we are working on a new social media and digital content team, a new team that's been pulled together from various areas of the PCT is working under our administration in my front office to really step up what we are doing, which includes different forms of outreach, not just increasing what we are doing, but increasing the areas where we have more impact and can reach more people. So, we are looking at an increase in reaching non-users, under-users and still maintaining the users that we have. Thank you.

167. Assistant Director General, Infrastructure and Platforms Sector: Thank you very much Chitra, thank you very much Chair and good morning, colleagues. Let me touch upon the issue of the customer experience because there was a concrete question about how customer experience activities can be coordinated across the Organization. As we all know, WIPO's global IP systems, in particular the PCT, Madrid and the Hague systems, provide valuable IP registration services or international services to innovators and creators worldwide. As we have just heard, multiple Sectors are responsible for delivering these services. And we have just heard from two concrete Sectors covering multiple international services, all of them mentioned the customer experience element, so this is one of the testimonies that we are coordinating across the Organization. Having said that, to ensure continued relevance and attractiveness of WIPO's global systems, we did establish a supporting internal coordination mechanism for customer experience activities. This mechanism particularly facilitated collaboration across the Sectors, as we have already seen, to align customer service and marketing approach and outreach. Among key actions underpinning this coordination, I would like to highlight two points. One, the development of a comprehensive customer service and customer relationship management strategy. Second, the strategic deployment of digital channels to maximize our global reach and engagement. It was already mentioned by our Deputy Director General Lisa Jorgensen as well. Mr. Chair, with your permission taking advantage of having the floor since multiple Delegations touched upon the AI related activities and there was a concrete question about how to facilitate dialogue on IP and frontier technologies, including AI. Let me touch upon that element as well. As mentioned in Director General Tang's opening remarks we have been organizing WIPO conversations on IP and frontier technologies, which takes place twice a year. This is open to all stakeholders and around 14,000 participants after the last conversation in April from more than 170 countries have joined. We will continue this dialogue so that all the stakeholders can gather, exchange views and experiences, discuss and debate as a go-to place for IP and frontier tech discussions. As mentioned by several Delegations, frontier technologies

do include AI but should not be limited to AI. Therefore, we will keep our eyes open widely for any possible topics. I can already mention that the next upcoming 12th session of the WIPO conversation will be taking place on October 28<sup>th</sup> and 29<sup>th</sup>. Thank you very much.

168. Deputy Director General, Regional and National Development Sector: Thank you, thank you, Chitra. Thank you, Chair. RNDS does not deliver services like PCT, Madrid and Hague but we deliver support to a wide range of stakeholders in Member States. So, we are working with you, with all Member States and I heard yesterday there was some questions. First, referring to the question from the Distinguished Delegate of Estonia on behalf of CEBS and a related question from Poland seeking more information on the work of the WIPO External Offices and the budgetary allocation process for the Program of Work and Budget for 2026/27. As you are all aware, we have seven External Offices in Algeria, Brazil, China, Japan, Nigeria, Russian Federation and Singapore. The Offices are responsible for WIPO cooperation with their host countries except in the case of Singapore, they are also in charge of ten members of ASEAN. I note that WIPO External Offices are present in a wide field of responsibility. This means that External Offices contribute across a wide range of expected results. In 2024, External Offices focused on building awareness of IP, ER 1.1. They will focus also on building use of WIPO global IP services, ER 3.1. For instance, the Japan and China Offices, in particular, engage with companies, law firms, IP users on the ground addressing questions on the services and elicit feedback. The Singapore Office began ramping up its engagement with ASEAN and connecting with users and stakeholders. External Offices will also focus on supporting knowledge transfer, technology adaptation and WIPO platforms and tools, ER 3.3. The Offices organize and participate in events and outreach for platforms like WIPO Green. This was of particular focus of the Office in Japan which engaged directly with Japanese companies and 83 technologies were added to the matchmaking database during 2024. External Offices support a balanced and effective IP system, ER 4.1. Many projects were implemented under this ER. The External Offices support increased knowledge and skills, ER 4.3, including support for the establishment of a national IP training center in Algeria, supporting the holding of summer school in Brazil, supporting youth and women entrepreneurs in Japan, Nigeria, Russia and Singapore, and enhanced capacity building in the creative industries in China. So, the External Offices completed 13 projects in 2024 and 2025 across a variety of areas. I wish to note that the advantage the External Offices have is being present on the ground. They have deep knowledge of local actors and conditions, including local languages and cultures. They operate in local time zones. This outcome is delivered using only around one per cent of WIPO's total budget giving WIPO a footprint outside Geneva on four continents, Asia, South America, Europe and Africa. So, our planning for the External Offices for 2026/27 is a prudent approach in light of the current circumstances. Seeing no growth at all in resource allocation, personnel and non-personnel resources to the External Offices. Mr. Chair, while I have the floor, I would like to just share with all the Delegates information on the Development Acceleration Fund because there are some questions on that. So, building on the strong impact delivered over the past four years by the build back fund and previously the COVID-19 package and to respond to the continued demand from Member States for impact driven projects, it is proposed that the build back fund transition as of 2026 into a new Development Acceleration Fund. Beneficiary countries of the build back fund in 2024 amounted to 51 Member States with 41 projects, and in 2025, 41 Member States with 31 projects. The Development Acceleration Fund will draw on the lessons learned from the previous funds and the pilot project to understand stakeholders and

communities with a strong focus on delivering tangible and high impact results for various beneficiaries in all regions. The Development Acceleration Fund aligns with WIPO's Medium-Term Strategic Plan, commitment to ensuring that IP is a catalyst for innovation, creativity and inclusive growth. The Development Acceleration Fund will support the initiative aimed at, one, empowering local and small and medium producers to expand market access. Second, strengthening community driven innovation ecosystems. Third, enhancing IP protection for cultural heritage. Fourth, providing businesses with tools necessary to commercialize their ideas. By prioritizing IP commercialization, inclusive market integration and long-term sustainability, the fund will ensure that IP is not only protected but also actively leveraged as a catalyst for community resilience, economic empowerment and sustainable growth. Thank you, Chair.

169. Assistant Director General, IP and Innovation Ecosystems Sector: Thank you, Chair. And my reference will be to those Delegations that kindly requested additional information on the Global Entrepreneurship Empowerment Program. Let me start saying that as the Director General mentioned in his opening remarks, what the program is trying to do is to in a one single stop shop put together all the programs, efforts and initiatives that the Organization is doing in order to serve Member States and SMEs worldwide. What we have experienced in the last two years, is an impressive increase in the number of requests coming both from Member States and intermediary organizations supporting SMEs in different parts of the world. We are not surprised by this increase in the number of requests, keeping in mind that SMEs that own Intellectual Property rights see 68 per cent higher revenue performance than those that do not have IP rights. So, it is clear that a strong interest in the different programs that the Organization is offering to support SMEs is growing. What we plan to do with the program that is part of this Program of Work and Budget proposal is basically putting together all those efforts in three main pillars. The pillar number 1 is about knowing your IP rights. Pillar number 2 is securing your IP rights. And pillar number 3 is growing with your IP rights. In the first pillar, knowing your IP rights, we have the following programs and initiatives. IP for business support series guide. These series guides have been widely and extensively used in different parts of the world. More than 450,000 downloads have been made to those guides in different parts of the world, and they have proven to be a very helpful tool to guide SMEs. However, the total number of SMEs benefiting from IP is still quite low and limited and we are convinced more efforts can be done to reach, with different partners, those SMEs that are located in Member States. The second activity comprises empirical studies on the use of IP by SMEs. We know that many IP Offices and government institutions would like to measure better which are the different users of the IP offer and what are the different profiles of those users. Knowing better who are those that use IP offers at the national IP offices, will allow them, and will allow us, to design programs that meet better the needs of that community. The third one of the activities in this group is the development of very practical tools like, for example, the IP strategy checklist for SMEs that have proved to be a very effective tool for those SMEs that probably doesn't have the time to go into long-term programs, but would like to know what are the type of things they can do to be sure they benefit from IP. And finally, more robust tools like the IP diagnostic tool that after it was launched two years ago, have been used by more than 50,000 SMEs in different parts of the world and more than 9,000 of those users have produced reports and taken immediate action based on the use of that tool. The second group of activities is securing your IP rights. In this second group of activities, we have a number of lines of work. The first

one is the inventor assistance program. Probably some of you are familiar with this program, it has been launched in 10 countries, the last one Pakistan a few weeks ago. It is a program that allows not only individual inventors, but also SMEs to get protection in their own jurisdiction and abroad. More than 30 per cent of the beneficiaries of this program are SMEs in different parts of the world and indeed the program shows great potential in order to continue supporting SMEs to secure IP protection. The second is a pilot collaboration with IP Offices to support IP filings. We know that there are different challenges and barriers for different businesses to secure IP rights but particularly for SMEs that need to know better what the benefits of IP for them are and in order to do that, we are ready to work with national IP Offices in identification of packages of support that can allow us for a more extended use of IP for those SMEs. The third activity involves working with the Arbitration and Mediation Center in building additional packages of support in order to serve the interest of SMEs. Let me mention that some of the efforts that have been made so far, for example, the specific services launched by the Arbitration and Mediation Center, such as the reduction of fees for SMEs, among other activities, has produced already an increase in the number of SMEs using the service of the Center, from 18 per cent five years ago, to 50 per cent today which shows that these efforts are moving in the right direction. And finally, the third group is growing with your new IP rights, which include a number of activities. Entrepreneurs are benefiting from different guidance provided by the Organization, but we would like to organize this in a better way and to be able to make the services we provide to guide SMEs in navigating the international prosecution, including the registration systems, more systematic. We want to expand our work on the one-day IP workshop in order to benefit an additional number of countries and reach a larger number of SMEs. We want to continue the IP management clinics that is producing very positive outcomes in different parts of the world. We want to expand our initial work on mentoring for SMEs and we want to put in place an entire new program of mentorship in order to assist SMEs in incorporating IP into their business strategy. And finally, we want to continue our work in expanding the SME support institution platform that was launched in 2024 in order to make sure that all supporting institutions in different parts of the world working with SMEs will be part of that platform and we will be able to work with them and join efforts in order to secure additional resources to serve better SMEs. In general attempts this is what the program is about, but I will be more than happy to go deeper and beyond if there is any interest from Delegations that requested additional information.

170. Assistant Director General, Administration, Finance and Management Sector: Thank you very, very much indeed. I am the last speaker on the list, Mr. Chair and so I will be fairly brief. I did want to respond to a couple of specific questions and important questions. Firstly, the Delegation of Mexico asked about the absence of an indicator relating to preventing sexual harassment and, at the outset, let me reiterate our continued commitment to addressing this issue. Based on the lessons learned, we are moving from a provision of training, so moving from just training, as was reflected in the KPI for this biennium, towards more awareness-raising and towards addressing behaviors and this will be largely mainstreamed within our wider transformation agenda and so that's the reason behind the thinking on the KPI. Our 2024 staff engagement survey also focused on this. We plan to follow up again in 2026 and we commit, of course, to providing specific reporting in the biennial WPRs. Let me turn also to the question from Canada around how we are linking up AI across the Organization and my colleagues have touched on a few of the areas where we are deploying AI, so I won't deep dive too much into those. Our overall approach to AI is coordinated by a task force, it's co-chaired by ADG Ken and

I. We see the projects across the house falling into two main clusters. I think the first is a cluster of AI applications which very much relates to our core business, our core mandate, which is Intellectual Property administration and so DDG Lisa, for example, mentioned the AI, potential AI application towards improving translation of PCT applications. DDG Binying referred to supporting trademark examiners through the use of AI, so looking at those very specific, very IP mandate focused questions, and where appropriate building our own technology, investing in the people and skills. We have a new application incubator that we set up to support these initiatives, that was set up as part of our IT transformation. I think, then, the second cluster, if you would like, a more general application which every Organization is thinking about and so in that I would include areas, for example, around the back office, how can we strengthen our financial management, how can we improve our internal controls using AI. Chitra's team is looking very intensely at that and, of course, more generally across the house, how can we provide AI solutions to our staff to allow them to do their everyday jobs more efficiently and to a better quality. So far we have rolled out a number of tools, we have rolled out our own internal AI, gen-AI model, WIPO WINGS under ADG Ken, we have rolled out a number of others, if you would like, public AI models but within a secure infrastructure for colleagues to use and experiment with. It is ring-fenced, so therefore our data is kept on premises but that's all supported by a series of awareness raising and general training events to enable colleagues to make the most of these capabilities and then, of course, it goes without saying, I hope that everything we are doing on AI is underpinned by a number of core principles, respect for people, I think the need for, ultimately, human oversight of any product that is produced with the help of AI and then, of course, secondly, security. Security is very, very much front of our mind. I'm very proud we are leading across the United Nations system on this. We built a security evaluation model for AI models, which I think is now being used by a number of other UN agencies, but it is one we use very much to ensure that, actually, any of our data that goes into AI is well protected within our Organization. Thank you very much, Chair. I think that brings to the end the list of Secretariat questions but, of course, thank you for your earlier questions. We stand ready to answer or provide further information as required by the Member States. Thank you, Chair.

171. Chair: Thank you, ADG Staines and thank you, Chitra, for coordinating responses from the Secretariat and I think the Member States appreciate all the senior leadership from WIPO present here to respond to the queries. I will now open the floor if any Delegation wishes to comment.

172. Poland: Thank you very much, Mr. Chair and good morning, everyone and I wanted to extend my wholehearted thanks for all the explanations and clarifications on many questions, all of them valid and all of the answers equally valuable. I have a question on the operations of the External Offices as was mentioned by DDG Kleib. We have questions that were posed by the CEBS Group, group of like-minded countries and Poland. As you remember, the context of this discussion goes back to the previous biennium's discussion on the budget where the final conclusion was that we asked the Secretariat specifically to monitor the operations of the External Offices and to adjust the budget to reflect the operations of the External Offices and I'm very grateful to DDG Kleib for the in-depth presentation of the operation of the External Offices. It is very valuable, but this Delegation has a greater appetite for more detailed information. Specifically, I would very much value the assessment of WIPO about how the economic

situation post-pandemic and also other developments that we witnessed in the last years have affected the operations of the External Offices in different regions and I'm here referring also to the specific situation in various regions that might have potentially affected the operations of the External Offices. How does this budget allocation reflect also the information that we have been receiving from the Secretariat that operations of some External Offices have been limited or reduced in the past? My further question would also include how the format and formula of the activities of external operations have changed - whether the level has increased or decreased in the past but also how the format and different ways of activities and projects that have been carried out by the External Offices have changed in the past whether there are more hybrid mode or online after the pandemic and so on that might also have an impact on the budget allocations for the External Offices. That would be extremely important for us to understand and in the spirit of transparency that has been also mentioned by other Delegations I think this is a good time to understand the development and evolution of the operations of the External Offices and to understand how they deliver to the overall goals of the Medium-Term Strategic Plan. Thank you.

173. Deputy Director General, Regional and National Development Sector: I wish to thank the Distinguished Delegate of Poland for the questions on the External Offices. As you are well aware, these External Offices are working closely with all regional divisions in RNDS. All regional divisions are continuously working hand in hand with External Offices. There are some instances that, as I said before, we are not seeing any growth in financial resources, non-personnel and personnel resources for External Offices. Again, I know that you are not referring to one External Office, but I would like to. The annual allocation of the Russia Office is 100,000 Swiss francs, which will continue in the next biennium. It was 425,000 Swiss francs earlier back in the biennium 2022/23 and it was agreed by the General Assembly to allocate only 100,000 Swiss francs per annum for 2024/25. For 2024, it was reduced by the Secretariat to 95,000 Swiss Francs and the Russian Office spent 98% of it, i.e., 92,716 Swiss francs. One of the reasons we reduced the budget is because of the current situation on the ground. So, there are some activities that cannot be undertaken in some areas. So, this is the status of the Russian Office, but the rest is constant, no growth at all in the resources. Thank you.

174. Chair: Thank you, DDG Hasan. I do not see any further requests from any Member States on the Financial and Results Overview. I take it that we have had extensive discussions, and I should thank the Secretariat for providing extensive replies which have helped move the discussions forward and appears to have satisfied the appetite of raising questions in this area. Dear Colleagues, as I mentioned earlier, we will now proceed with the review of two Sectors at a time and we will cover all the Sectors making them a group of two and open the floor. I would request you to focus your comments on the two Sectors that we are discussing. We will start with the Patents and Technology Sector and Brands and Design Sector. I would request the Secretariat to have the relevant persons here on the table so that it helps them address all the questions when we come to the response time. I will now open the floor for Delegations wishing to speak on the following two Sectors, Patents and Technology Sector and Brands and Design Sector.

175. Japan: Thank you, Mr. Chair. In our Sector-by-Sector analysis of the proposed Program of Work and Budget 2026/27, Group B will focus on several key questions and comments for each Sector. As for the Patents and Technology Sector, Group B congratulates the Sector for its

continued critical role in WIPO's operations. We appreciate the Sector's efforts to modernize patent services including initiatives like the PCT Intelligent Operations System and AI-powered translation tools. However, despite a 5.1 per cent projected decline in PCT filings, the Sector allocated 143.9 million Swiss francs to personnel resources, a 12 per cent increase from 2024/25. We seek justification for this inverse resource allocation strategy amid declining demand. As for the Brands and Design Sector, Group B welcomes the continued robust performance and global expansion of the Brands and Design Sector, which remains significant to one of the main WIPO missions of delivering accessible high quality IP services to enterprises of all sizes, including SMEs and startups. We note with appreciation that despite ongoing economic uncertainties, most of the international registration systems are projected to see growth in applications and renewals reflecting the endurance of these systems for users worldwide. With regard to performance indicators, we observe ambitious targets for expanding system membership such as for new Madrid contracting parties in the biennium as well as projected increase in Madrid applications and renewals. However, we note that Madrid fee income is expected to decrease by 1.4 per cent despite these positive filing trends. We would appreciate further explanations from the Secretariat on the underlying factors for this divergence considering the importance of ensuring the long-term financial sustainability of the Sector. Thank you, Mr. Chair.

176. China: Thank you, Mr. Chair. Good morning, colleagues. Regarding the Patents and Technology Sector, first of all, China commends the PCT system for consistently prioritizing users, supporting multilingualism, and achieving significant savings on translation through innovative working methods. These efforts have also enhanced the quality and efficiency of PCT examinations during the international phase. China supports the continued prioritization of cost savings within the PCT system. Secondly, we note on page 27 that the Patents and Technology Sector has allocated more than 4 million Swiss francs and 80,000 Swiss francs for its expected results 5.2 and 5.3, respectively. However, this allocation is not reflected in the table of performance indicators on page 25. The Secretariat has indicated that these two expected results stem from the incorporation of language services into the Patents and Technology Sector, and that the related KPI is an internal indicator. China requests that the Secretariat further clarify the relationship between the work of the language services and the expected results 5.2 and 5.3, as well as provide details on the internal KPI in question. We would also like to understand why this internal indicator was not included in the table of budget KPIs. Thirdly, as a major user of the PCT application system, China has always placed importance on its effective operation and management. We have observed that in the performance indicator framework for the PCT system outlined in the proposed Program of Work and Budget, there are very few indicators related to operations and management, aside from application rate and unit cost. However, Annex IV of the proposed Program of Work and Budget lists eight monitoring indicators related to the PCT. In order to further promote sound management of the PCT system, China would like to suggest additions to expected result 3.2 in the PCT budget. These additions include four new performance indicators: overall quality of formality examination, quality of translation and interpretation, quality of software development, and level of automation. Regarding the Brands and Design Sector, China would like to thank the Sector for its longstanding commitment to providing improved global services, particularly registration services for brand and design users worldwide. China has noted that under expected result 3.2 for the Hague system, the target reduction compared to the previous period

is two Swiss francs, while for the Madrid system it is 16 Swiss francs. China appreciates the Hague system's explanation provided yesterday. We would like to request further elaboration on areas such as training and recruitment of personnel, internal controls, customer service and system promotion. Specifically, we would like to understand the measures taken to control expenditure and the processes in place. Have effective measures been confirmed to address the challenges currently faced? In particular, regarding unit costs, would it be possible to establish more ambitious targets for cost reduction? Thank you, Mr. Chair.

177. Egypt: Thank you, Mr. Chair. If you may allow, my intervention will now just be focused on the Patents and Technology Sector. I will come back on the Brands and Design Sector. Our Delegation highly appreciates the Patents and Technology Sector's essential role in maintaining valuable strong financial position as well as its developmental role in supporting Member States in building a robust patent system and leveraging technology for economic growth. We commend the progress in implementing the revised language policy and the integration of neural machine translation into the translation process, allowing an increased range of administrative services to be offered in any of the 10 PCT languages of application. Our Delegation is seeking clarification on the following: upon reviewing Annex III of the proposed Program of Work and Budget as well as those dating back to 2022, it is clear that the Sector has experienced frequent fluctuations in the number of posts across biennia. The Sector had 377 posts in 2022/23 which decreased to 342 in 2024/25 and is now projected to rise again to 373. These figures indicate an approximate 10 per cent variation in staff levels. Could you kindly provide an explanation for that and to what extent this may affect the sustainability and the work of such an important Sector? Secondly, could you clarify the reason behind the doubling of the budget for conference costs increasing from 932,000 to 1.89 million Swiss francs? Finally, the proposed Program of Work and Budget refers to working towards a more agile and responsive Registry. Is there a specific key performance indicator in place to measure this objective? Thank you so much.

178. Russian Federation: Thank you, Mr. Chairman, regarding the Patents and Technology Sector, we would like to focus on the Translation Section of the Language Division. We are convinced that multilingualism is one of the main assets of the UN system. The importance of multilingualism as a key element of WIPO's activities is also noted in the proposed Program of Work and Budget for 2026/27. In this regard, we draw attention to the need to ensure high quality of written translation and, as a result, the allocation of sufficient financial and human resources. As practice shows, neither machine translation nor artificial intelligence is currently capable of completely replacing human labor in the field of translation. Against this background, we call on the Secretariat to take all necessary measures to maintain high quality of translation, including through manual post-editing of machine translation results. We understand the desire to achieve greater efficiency, but this should not be at the expense of quality. Ensuring high-quality translation is the foundation of international activity. With regard to the Brands and Designs Sector, we share the fundamental importance and commitment of WIPO to the principle of multilingualism. In this regard, we consider it especially important to consolidate within the framework of strategic work areas of the Brands and Designs Sector, in particular the Madrid and Hague Systems, the priority area of expanding language regimes in international registration systems and introducing new working languages. In our opinion, the consolidation of such a work area contributes to achieving the expected results 3.1 and 3.2, ensure wider and

more effective use of global services and improving their quality within the framework of Strategic Pillar 3. Thank you.

179. Japan: Thank you, Mr. Chair. I speak in our national capacity. Our comment is on the Patent and Technology Sector. As we recognize that almost 76 per cent of WIPO's income is derived from PCT applicant fees, the activities of this Sector is very important. We welcome the allocation of nearly 290 million Swiss francs to expected result 3.2, improved productivity and service quality of WIPO's Global IP System services, knowledge and data. We believe that maintaining and improving the quality of such international filing services should be a priority. We also commend the Sector's efforts to deliver efficiency through the approach of transforming internal business processes and employing the use of technology. We have high expectations for WIPO's strengths in marketing and outreach initiatives in order to make the service more convenient for PCT users. Thank you, Mr. Chair.

180. United States of America: Thank you, Chair. With regards to the Patents and Technology Sector, the United States places immense value on the efficient operation of the PCT system and recognizes the contributions of the Sector to WIPO's mandated work. The United States continues to highlight the importance of ensuring work conducted by the Sector, including through its programs, is focused on the promotion of the use of IP and does not undermine IP systems. Turning now to the Brands and Design Sector, with respect to the projected Lisbon applications, we would like a better understanding as to how 80 applications per year in 2026 and 2027 are expected under the Lisbon system. This projection of 80 annual applications is particularly notable given the identical annual projection for the prior biennium, which recently resulted in a mere 23 applications for 2024. In order for this Program of Work and Budget to provide an accurate estimate, application and income projections must be based on market realities. Further, we remain concerned that the allocation methodology is supporting a continued imbalance in WIPO's budget. We continue to oppose the diversion of PCT and Madrid fees to pay for the operating costs and common expenses of the Lisbon Union, which is projected to run a larger deficit in 2026 and 2027 than in the last biennium. The total Lisbon Union's proposed budget increase is 384,000 Swiss francs, an 11 per cent increase over its 2024/25 budget, and includes a proposed increase of 139,000 Swiss francs for the Lisbon Union's promotional activities. While the 11 per cent increase of Lisbon's budget is not as dramatic as the last biennium's 30 per cent increase, the projected deficit for Lisbon continues to increase over a million Swiss francs each biennium since 2022. Specifically, we note that the Lisbon Union's projected deficits for the 2022/23, 2024/25, and 2026/27 biennia are 1,945,000 Swiss francs, 2,879,000 Swiss francs, and 3,273,000 Swiss francs, respectively. In other words, the deficit would only be growing larger if this Committee were to approve this proposed increase. We also noticed the request for a two-fold increase in the Lisbon promotion budget for national and regional development. This proposed increase in funding for promotion of the Lisbon system is particularly concerning given that the Lisbon System continues to run a deficit and WIPO and its Member States have not charted a path forward that will allow all fee-funded unions to reach financial sustainability. The United States will continue to urge all Member States to ensure that all fee-funded unions abide by their treaty obligations and collect income sufficient to cover each union's expenses, including their fair share of the Organization's common expenses. We look forward to continued discussions on financial sustainability of the fee-funded unions under Agenda Item 7. Additionally, the United States encourages WIPO to

undertake a balanced and fair approach in its programmatic work on GIs. Lastly, the U.S. reiterates its prior overall objection regarding the framing of this document, including these two Sectors, as it relates to the SDGs. Thank you, Chair.

181. Chair: I do not have any request for the floor by any Delegation at this moment. I propose that we suspend this meeting for five minutes, allowing time to the Secretariat to organize, take note of all the questions and be ready for the responses. The meeting is suspended for five minutes.

182. Chair: Thank you, colleagues, for bearing with us. Before I hand the floor to the Secretariat for responses, I see Nigeria has also requested the floor. I will give Nigeria the floor first.

183. Nigeria: Nigeria welcomes the momentum behind the Patent System Reform Agenda. First, we applaud the applicant-centric overhaul of the Patent Cooperation Treaty and respectfully request that the Secretariat integrate a graduate fee discount scheme for inventors from lower and middle-income countries. This singular step would unlock the Treaty's full promises for thousands of African innovators. Secondly, as Africa accelerates its 5G and IoT rollouts, we urge WIPO to fast-track practical guidelines and standard essential patent licensing, developed in close consultation with regional standard bodies and, in particular in our case, in Nigeria, the Standards Organization of Nigeria. Thirdly, Nigeria calls for a pilot initiative under the IP and Gender Action Plan that supports West African women researchers. We stand ready to partner through NOTAP to co-design mentorship, funding, and patent drafting clinics with WIPO. History, targeted action, fair fees, clear SCP rules, and gender-responsive capacity building will translate global reforms into tangible opportunities for African inventors. Thank you.

184. Chair: Thank you, Nigeria. I don't have any other Delegation requesting the floor. So, I will hand the floor to the Secretariat for the responses.

185. Deputy Director General, Patents and Technology Sector: Thank you, Maya. Thank you, Chair. I think that I have gotten all the questions that we want to respond to, but if I have missed anything, please let me know. In the first one from the Delegation of Japan, on why the increase of 12 per cent over 2024? This was the move of the language division to the Patents and Technology Sector from Andy's administrative group. It was approximately 40 people, plus or minus one or two, I think, plus the statutory cost increases, plus the medical cost increases. The next question, I think, is from the Delegation of China. This would be on the KPIs under expected results 5.1, 5.2, and 5.3. Let me combine that with the question about 3.2, moving the KPIs from the Annex to the framework. I think this answer should hopefully answer both of those together. What we monitor is the unit cost and we think that this satisfactorily subsumes productivity. For the expected results 5.1, 5.2, 5.3, that should be managed, all three of those, within the two performance indicators, the cost per word of translation and the level of satisfaction of the Member States. If I have missed anything there, please let me know. The next one, I think, is from the Delegation of Egypt. I think it was from page 26, related to the conference cost. That would be the transfer of the interpretation services to the Patents and Technology Sector. That's where those increases would come in. The next one would be on a KPI to measure a more agile registry. I'm not sure exactly what that would look like, but I do think that we do have KPIs that cover the range of the registry itself, which would be things like

measuring the efficiency and operations going from the application driven process to the applicant driven process, enhancement of customer services, the satisfaction, customer response time, unit cost, et cetera. We think that those would adequately cover how we are operating in the registry to be sure that we are agile, efficient, and offering customer service at the best-in-class. Did I miss any? I don't think I did. So, the 12 per cent increase was from the move of the language division to the Patents and Technology Sector. Have I missed anything else? Okay. Thank you. If I missed any questions, please let me know.

186. Deputy Director General, Brands and Designs Sector: Thank you, Chair. Distinguished guests, I appreciate the opportunity to address your questions again. Although some of the questions as put forward by several Delegations here, were already covered in my opening remarks this morning, but for ease of reference, I want to group my response according to the subject matter rather than each Delegation's intervention. I hope to have your permission. Now, the first one is from the Delegation of Japan on behalf of Group B concerning general strategy or matters related to the Brands and Design Sector or Registries, on how to make it work better under the current circumstances. As I indicated in my opening, there are three aspects. The first one is cost containment. The second is the internal reform of the business model in order to bring it closer to the heart of the user by improving our customer service and quality of delivery. The third is based on the AI technologies available in WIPO to reduce the cost and improve efficiency and productivity. These are just general remarks, to your individual questions. If you need more details, I'm happy to answer and my team is here to discuss with you bilaterally. There is a question also concerning our ambitions in promoting membership of the Madrid Protocol, as well as Hague, and even Lisbon. The target we have set for Madrid membership, in previous years it used to be 3 to 5 per year. But I think everybody understands that the more members you have, the more difficult it is to bring more. Right now, we have already reduced from 3 to 5, to 2 to 3. Personally, I do not think we are ambitious. Actually, we need to expand the membership geographically, particularly in the areas where the Madrid Protocol, and also the Hague system, are still less known. Now, questions raised by China concerning the Hague system. The questions are quite detailed. Some of them have already been touched upon yesterday and this morning, in particular the one about quality control in training, internal management, etc, and the unit cost. How do we reduce the unit cost? I think anyone running a business would know that the most difficult part of running a business is how to reduce the unit cost while maintaining efficiency. On this one, we plan a number of measures which may take time to materialize. But again, we would rather discuss this issue separately, including in writing if you are interested, and certainly we would love to share details with you and any Member State, so that we could also gain reaction and comments from you. On the question from Russia concerning the working languages of both the Madrid Protocol and the Hague System, we all know that in the second half of the year we will have the Madrid and Hague Working Groups where discussions concerning working languages will continue. There's been some progress made, and we need to see that the momentum so far gained is still kept and we will certainly invite all the Member States to actually participate in the discussion so that eventually we can reach a good compromise and the result of the discussion. The last question I would answer is from the U.S. Delegation concerning the Lisbon System. I think the Lisbon System is a question we discuss in the Program and Budget Committee every year, but I must say that the Lisbon System has made progress, there is no backlog and also, I want to clarify here, that for the

years 2026 and 2027, there is no increase of budget. Having said that, I would like to invite Alexandra, Director of the Lisbon Registry to give you more information if that's agreeable.

187. Secretariat: Thank you, Deputy Director General. Indeed, as mentioned by DDG Wang, there is no increase in budget for 2026/27. What you see in the document is a reallocation of funds: the funds that we allocated during the present biennium to improve our IT system, we are now proposing to use those funds to provide more technical assistance to the current members of the Lisbon System to secure that they can better use the System, but also to assist acceding countries. We have received an increased number of requests for both kinds of assistance. So, it is simply a reallocation of funds within the funds that we had at our disposal during the present biennium. I would like also to mention that we are not doing active promotion of the Lisbon System, as the other Systems do. We are simply raising awareness about the benefits of the Lisbon System. With the funds at our disposal, we are not in a position to do active promotion and we are not undertaking marketing activities, as the other Systems do. The funds are mostly used to provide technical assistance to WIPO members interested in the Lisbon System. I would like also to mention that we have already increased efficiency in terms of managing Lisbon transactions, thanks to the development of the e-Lisbon IT platform. This will continue in the next biennium, as we are now working with the members of the System to train them to use the IT platform. So more efficiency gain are expected in the future and this will enable us to absorb an increased number of transactions. Applications are only one part of the work of the team; we have many more transactions to deal with. Concerning the question from the United States on the number of 160 new applications for the Lisbon System in the next biennium, this forecast takes into account the potential that exists in the current members of the Lisbon System. It is a reasonable number that we hope we can achieve. We are indeed working with Lisbon members to see how to make the System better known on their territory and more used by their GI producers. I hope that I answered all comments and questions. Thank you.

188. Secretariat: There was one additional question that I would like to provide some clarification on and that's from Japan on behalf of Group B on the forecasted number of applications for the Madrid system versus the forecasted income. So, if I may kindly refer you to page 7 of the Program of Work and Budget, the applications for Madrid are projected to decrease by 5.5 per cent. On the other hand, renewals are projected to increase by 11.3 per cent. And that gives a combined projected decrease in income for the Madrid System of -1.4 per cent. I hope that clarifies.

189. Peru: Thank you very much, Mr. President. I would like to briefly address the Lisbon system. The issue of the budget allocated to it has been mentioned. So, as a first clarification, we wanted to put on record that my country fully supports the proposed budget, and for several reasons. One that has also been mentioned is the fact that we have new members, and among these new members are several developing countries like my own and least developed countries. This undoubtedly creates the need to build capacity to raise awareness about the use of the system. So this is one of the reasons, perhaps one of the most important, why we believe the proposed budget will be adequate. Also, considering that the Organization will have a surplus, we don't see why there's any need or lack thereof to address this need of the members. I also wanted to address the issue of promotion, as the Director of the Lisbon Registry just said, it does not only include awareness, dissemination of the benefits of geographical indications. Something that is very important for countries like mine is capacity building. We make a lot of

use of the promotion aspect to generate efficient and effective management of the system in our offices and also among users of geographical indications. Finally, regarding the figures that were mentioned, we understand that this only covers the year 2024. We are confident that these figures will increase, but another interpretation of the figures is that we still need to continue supporting members in their use of the system. So, it sends us the message of the need to redouble efforts in terms of training and awareness for new members like mine. Thank you very much.

190. Algeria: My Delegation expresses its appreciation to the Secretariat, the Chairman, the DDG, and the team for all the detailed information given. As for the Lisbon System, we express our support for the proposed Program of Work and Budget. Over the last two years, nine new countries have acceded to the Geneva Act related to the Lisbon Agreement, including four developing countries and two LDCs. This clearly reflects the increased need for programs focused on capacity building and increasing awareness of how to use this system in an effective manner. In this framework, we believe that satisfying these needs requires allocating additional resources, and this we consider a justification, indeed, a very necessary justification. Due to the surplus that is forecasted for the Organization, which reaches 7.6 million Swiss francs during the forthcoming two years, the proposed Program of Work and Budget represents, in our view, an appropriate step to deal with the requirements of capacity building for new members of the Lisbon System. On the other hand, Algeria supports all the expenditures concerning promotion, and we would like to affirm in this context that such activities are not only confined to services but also include the dissemination of the tradition of IP as an effective tool to support economic and social development. WIPO is performing a very important role in the promotion of IP in the field of business as well as intangible assets, in order to augment competitiveness. We believe, at this stage, that our efforts and resources should focus on technical cooperation in the interest of countries which request capacity building in order to effectively use IP. We recall that Article 4 of the WIPO Treaty clearly states that activities related to capacity building and raising awareness are very important in order to increase the protection of IP worldwide, and we reaffirm that geographical indications are one of the key supporting elements for local economies, including those in rural and deprived areas. We would also like to refer to the fact that the figures related to the use of the Lisbon System are only confined to 2024. We are confident that applications will increase during the biennium. Despite the currently limited number of filings, this exemplifies the need to increase awareness and capacity building in order for members of the Lisbon System to use it effectively in serving their development needs and enhancing GIs or geographical indications.

191. China: China would like to thank DDG, Patents and Technology Sector for her response and clarification regarding expected results 5.2 and 5.3. If possible, I will switch to English in which I will read out these expected results. Expected result 5.2 is: Digitally enabled, secure and sustainable operating environment and services. Expected Result 5.3 is: Sound and prudent financial management and effective corporate governance and oversight. These two expected results, when we inquired with the Secretariat about the changes, the Secretariat responded that this was the result of the inclusion of the Language Division into the Patents and Technology Sector. Based on my understanding of these two expected results, I think 5.2 is more about IT, and 5.3 is about administration. We don't particularly understand why the Language Division is related to these two expected results. In addition to the internal KPI, I

noticed that there was no answer to the specific content of the KPI, and the reason why these internal KPIs were not included in the budget KPI list. These seem to have not been answered. Regarding the issue of adding relevant skills and 4 small indicators in expected result 3.2 of PTS, we hope that the Secretariat will actively consider our suggestion. We are willing to conduct bilateral discussions with the Secretariat on this. Second, thank you very much for Deputy Director General Wang's explanation just now. China has always believed that in terms of Hague costs, the unit costs of the Hague Registry, compared with the current goal of reducing only two Swiss francs, the Hague Registry still has potential to set ambitious unit cost targets. In addition, China believes that in the context of the challenges of both the Madrid and Hague Systems facing deficit operations, practical measures should be taken to strengthen the operation and management of the two systems and enhance their attractiveness to users. As the third largest user of the Madrid system and the largest user of the Hague system, China attaches great importance to the good operation of the two systems, which is inseparable from a comprehensive and effective performance evaluation framework. Therefore, we also agree that in the discussion of the WIPO Performance Report 2024, some delegations mentioned that the performance evaluation indicators of the three service systems of PCT, Hague and Madrid should be coordinated with each other. We note that in the performance indicator framework for the Madrid and Hague Systems in the budget, only a few indicators such as application rate and unit cost are involved in operation and management. China proposes to strengthen the operation and management of the Madrid and Hague Systems and effectively improve the service level of the two systems to users. Five performance indicators, namely examination quality, translation quality, software development quality, examination cycle and automation level, should be added to the performance indicators of expected result 3.2, and they should be applied to the Madrid and Hague systems simultaneously. Thank you, Chairman.

192. Iran (Islamic Republic of): Thank you, Mr. Chair. We thank the Secretariat for their explanation, in particular the Director of the Lisbon Registry, for their comprehensive explanation on the Lisbon issue. We recognize the progress and increasing efficiency of the Lisbon System and support the budget allocated to the Lisbon System. We support the statement delivered by the Distinguished Delegations of Peru and Algeria under this agenda item. Mr. Chair, my Delegation is of the view that the main objectives and functions of WIPO are to promote the protection of Intellectual Property throughout the world, in accordance with Articles 3 and 4 of the Convention establishing the World Intellectual Property Organization. Geographical indications and appellations of origin are Intellectual Property rights, just as is the case for copyright, trademarks, patents, and designs, and WIPO is committed to promoting the protection of all types of Intellectual Property, including geographical indications and appellations of origin. Accordingly, we believe that equal prominence should be given to all international registration systems operating within the WIPO framework. With regard to promotional activities, we look for equal treatment for all Unions administered by WIPO. We are of the view that the financial sustainability of the Lisbon System cannot be compared with other global registration systems such as the Madrid or PCT systems, mainly because appellations of origin and other geographical indications are based on geographical names, and there is an obvious limit to the total number of protected geographical names and corresponding applications. We recall that WIPO has to fulfill its mandate of making its global Intellectual Property services, including the Lisbon System, more and more attractive for users. This requires the necessary allocation of financial resources, not only for the effective administration

of the Lisbon Registry but also for information and promotion activities. We are looking forward to equal prominence being given to the Lisbon Union, along with the other Unions.

193. Ghana: Thank you, Mr. Chair. Ghana supports the proposed Program of Work and Budget for the Lisbon System. Over the past two years, nine new members have joined the Geneva Act of the Lisbon Agreement, four of which are developing countries and LDCs. There is, therefore, an increased need for capacity building and awareness raising on how to effectively use the system. This requires the allocation of additional resources. Given WIPO's overall expected surplus of 7.6 million Swiss francs for the next biennium, we consider that the proposed Lisbon System budget may allow for addressing the capacity building needs of new members. We support the budgeted expenses on promotion. Promotion activities encompass the spread of IP culture and awareness about IP's potential to support economic and social growth. WIPO has the task of promoting IP for business, raising awareness everywhere about the value of intangible assets as a lever for development and competitiveness. It now seems appropriate to focus expenses and efforts on technical assistance for our members requesting such assistance, to build capacity and promptly manage the effective and efficient use of the system. According to Article 4 of the WIPO Convention, the capacity building and awareness activities clearly fall within the Organization's mandate to promote measures that facilitate the effective protection of IP worldwide, which is an important lever for growth, development, and competitiveness, also acknowledging that geographical indications contribute to the development of local economies, including in disadvantaged rural areas. Regarding the low performance of the Lisbon registry in 2024 in terms of filing numbers, it may be worth noting that these figures only cover 2024. We are confident that the number of Lisbon applications will increase during the second half of this biennium. That said, the low number of applications actually proves the need to increase efforts towards capacity building and awareness raising in order to enable all current Lisbon members to increase and facilitate their use of the system. Finally, we note that Table 3 of the 2024 WPR refers to services under the global registration systems. Regarding Lisbon, however, Table 3 only notes the number of applications, even though Lisbon services go beyond the handling of applications. In fact, the Lisbon registry in 2024 saw a 130 per cent surge in transactions, which points to a significant increase from 2023.

194. France: Thank you, Chair. We would like to thank the DDG and the Secretariat for the explanations. We support the proposed budget for the Lisbon System. As other Delegations have said, over the last two years, nine new members have joined the Geneva Act of the Lisbon Agreement, four of them being developing countries and LDCs. So, there is an increased need for capacity building and awareness raising on the way to ensure that the system can be efficiently used, and that requires resources. Given the surplus of the Organization for the next biennium, we think that the proposed budget sets out to meet the needs of new members in the area of capacity building. We support the allocated expenditure for promotion, which encompasses the dissemination of IP culture and awareness raising of the potential of IP to push economic growth and social development. We recall that WIPO's mission is to promote IP for business and increase awareness throughout the world of the value of IP as a driver of development and competitiveness. So, it's absolutely appropriate to support efforts for technical assistance for members who wish to receive it in order to build their capacity and integrate them into the system more efficiently. We expect an increase in the second year of the biennium, and the number of filings is not the only indication because the number of transactions has

increased by 130 per cent. The number of filings, however, reflects the need to increase the efforts to build capacity and raise awareness so that all current members of the system can increase their filings and facilitate the use of the system. The use and national recognition of geographical indications is a necessary stage, which requires the identification, definition of specifications, and a clear approach. We encourage the Organization to help members continue to build their technical capacities and effectively value their GIs. We believe that an effective register of geographical indications will continue to develop and increase its value, while the recognition of the economic, cultural, and environmental value of GIs will continue to grow, particularly in relation to the SDGs. Thank you, Chair.

195. Switzerland: Thank you, Chair. We thank DDG Wang and the Secretariat for the explanations provided for the Lisbon System. Switzerland supports the proposed budget for the Lisbon System. Over the past two years, nine new members have joined the Geneva Act of the Lisbon Agreement, four of which are developing countries and LDCs. There is, thus, an increased need for capacity building and awareness raising on how to effectively use the system. This, in our view, requires the allocation of higher resources. Given the overall budgeted surplus of 7.6 million Swiss francs for the Organization for the next biennium, we consider that the proposed Lisbon budget may allow for addressing the capacity building needs of new members. Mr. Chair, we also support the budgeted expenses on Lisbon promotion. Promotion activities encompass spreading IP culture and awareness about IP's potential to support economic and social growth. WIPO has the task to promote IP for business, raising awareness everywhere about the value of intangible assets as a leverage for development and competitiveness. Therefore, it now seems appropriate to focus expenses and efforts on technical assistance for our members requesting such assistance to build capacity to promptly manage an effective and efficient use of the system. Finally, Mr. Chair, regarding the filing figures for Lisbon in 2024, let us first of all underline the fact that these figures only cover 2024. We are confident that the number of Lisbon applications will increase during the second half of this biennium. That being said, the low number of applications actually proves the need to increase efforts towards capacity building and awareness raising in order to enable all current Lisbon members to increase and facilitate their use of the system. Finally, we note that Table 3 of the 2024 WPR refers to services under the global registration systems. Regarding Lisbon, however, Table 3 only notes the number of applications, even though Lisbon services go beyond the handling of applications. In fact, the Lisbon registry in 2024 saw a 130 per cent surge in transactions, which means a significant increase over 2023.

196. Egypt: Thank you very much. I'd like to thank the Deputy Director General as well for the explanations and we look forward to further information on the work in the area of patents and technology and how to better tap the potential of this Sector to benefit the entire Organization. Thank you.

197. Hungary: Thank you, Mr. Chair. Hungary supports the statements made by the Distinguished Delegations of Peru, Algeria, the Iran (Islamic Republic of), Ghana, France, and Switzerland. We fully subscribe to the arguments that were presented by these Delegations regarding the proposed Program of Work and Budget and the performance of the Lisbon System. We would also like to thank the Secretariat for their replies and detailed explanations on this matter. Hungary supports the budget for the Lisbon System as proposed by the Secretariat. We welcome the expansion of the community of the Lisbon Union through

ratifications of and accessions to the Geneva Act of the Lisbon Agreement that we have witnessed during the past years. The growing membership, which includes developing and least developed countries, clearly shows the strong need for capacity building and awareness raising as key elements for effectively running the system in both new and existing members of the Lisbon Union. We believe that these activities should be supported by the allocation of adequate financial resources. This Delegation also supports the proposed expenses on promotion, which are of utmost importance. Promotion activities carried out by the Lisbon System include technical assistance, capacity building, awareness raising, and the dissemination of knowledge about geographical indication protection worldwide, for the benefit of local economies in developing, least developed, and developed countries as well. Considering the financial situation of the Organization and the budget surplus envisaged for 2026/27, we find that the proposed budget meets the aforementioned goals. Therefore, we support it. Finally, regarding the performance of the Lisbon Registry in 2024 and the relatively low number of international applications, the following shall be noted: the performance of the Lisbon Registry cannot be characterized solely by the number of applications filed. It encompasses other transactions as well. These transactions generated significant income and made it possible for the Lisbon Registry to surpass the overall income estimates for 2024 and 2025 already in 2024. Thank you, Mr. Chair.

198. Italy: Thank you, Chair. First of all, let me thank the Secretariat for the data and the documents provided, and also for the clear explanations. Mr. Chair, Italy supports the budget for the next biennium. In particular, with reference to the Lisbon System, geographical indications represent a valuable tool for the valorization and protection of agri and non-agri products that possess unique characteristics linked to the territory of origin. They are a way to preserve and valorize local traditions and the ancestral knowledge of the communities of local producers. From an economic point of view, geographical indications could be an important driver for local economies, as they contribute to creating a strong international reputation, which favors exports, incentivizes employment in rural areas, and strengthens the economy of those business sectors linked to tradition and quality. In short, they are an instrument to protect the quality and authenticity of products, but also a way to promote environmental sustainability, local culture, and the development of the rural economy. As a consequence, the Lisbon System is to be conceived as a unique international system that aims at creating cross-country cooperation and mutual recognition and protection of key cultural, environmental, and economic assets to the benefit of many people all around the world. This is the reason why we believe that the Lisbon System should be more accessible for all interested stakeholders worldwide, promote the use of IT solutions and try to reduce administrative burden. Italy confirms its commitment to the long-term financial sustainability of WIPO, despite the drop in surplus. WIPO remains today a financially solid Organization. The Italian Delegation is open to further discussion on how to address the Lisbon Union deficit among the members of the Lisbon System. Moreover, we encourage WIPO to continue contributing to spreading information and awareness about the Lisbon System. Most actions implemented by WIPO in different countries aimed at leveraging local IP assets have proved to be very successful. They have helped many small enterprises, especially women entrepreneurs, to grow and become competitive, fostering job creation and improving national brand recognition. We encourage WIPO members to consider the

importance and the economic potential of GIs and to join the Lisbon System. Thank you very much, Chair.

199. Portugal: Thank you, Mr. Chair, for giving me the floor. Portugal fully supports many of the previous statements that have been delivered. Portugal fully supports the budget for the Lisbon System, which has had new accessions recently, nine of them, and many of those recently acceded countries are developing countries or LDCs. So, there is definitely a need for increased capacity building and awareness raising regarding this system. This, in our view, definitely demands higher resources. For us, it is also clear that promotional activities are fundamental. This encompasses spreading IP culture and awareness about IP's potential to support economic and social growth. WIPO has the task of promoting IP for business, raising awareness everywhere about the value of intangible assets, including geographical indications. Finally, to state that capacity building and awareness activities clearly fall within the Organization's mandate to promote measures that facilitate the effective protection of IP worldwide under Article 4 of the WIPO Convention. Thank you.

200. United States of America: Regarding the views expressed by other Member States on the need for allocation of funds related to the Lisbon System, we strongly reiterate that all fee-funded Unions must be financially sustainable. We encourage Member States to take steps to achieve such sustainability and continue to urge all Member States to ensure that all fee-funded Unions, including Lisbon, abide by their treaty obligations. We also reiterate that the United States cannot support any increase to the Lisbon budget. Thank you, Chair.

201. Russian Federation: Thank you, Chair. We also thank the Secretariat, especially the Deputy Directors General, for their comments and clarifications. We thank the Director of the Lisbon Registry. The Russian Federation supports the activities of all international registration systems without exception. We emphasize that the mandate of the Organization includes work to ensure the protection and respect for all intellectual property objects, especially in the context of improving the quality of services provided for the convenience of users. For our part, we consistently support the principle of solidarity of Unions in terms of financing their activities. At the same time, the volumes of funding provided must be sufficient to ensure the proper operation of all Unions. Russia joined the Lisbon System in 2023. Russian applicants and copyright holders have already begun to use the Lisbon System. In the Russian Federation, which is one of the largest multinational states in the world and has the richest cultural diversity and unique experience in preserving the traditions of peoples, the protection of traditional products and folk arts and crafts is in great demand. In this regard, we emphasize the importance of further developing the Lisbon System to expand its membership, as well as the regular exchange of experience and approaches between agencies within the framework of events organized by the Registry. In addition, regarding the Madrid and Hague Systems, as well as the issue of developing the language regimes of these systems, we thank Deputy Director General Wang for her clarifications and, in continuing the discussions on the importance of the principle of multilingualism, we propose including a mention of this area of work as a priority within the Brands and Designs Sector. We are ready to work on a specific proposal to improve

the text of the draft Program of Work and Budget in this part in order to lay the groundwork for further discussions. Thank you.

202. Chair: Thank you, Russian Federation. Dear Colleagues, we have had ample opportunity to express views on these two Sectors that we discussed, the Patents and Technology Sector and the Brands and Design Sector. There were questions raised. The Secretariat made effort to respond to most of those queries. As I see it, there is some difference of view on the approach in these Sectors. There are still some queries as I can recognize the Delegation from China had some more queries as well, but I appreciate that the Delegation of China has also offered to work with the Secretariat to address those. With your permission, I would like to propose that we close the debate on these two Sectors, and I would encourage, just as China has mentioned, to try and work out issues with the Secretariat bilaterally. I would urge other Delegations to speak to each other where there are differences and try to build bridges, leading us to a consensual solution. With that understanding, we will close the debate on these two Sectors. I will now invite you all to focus on the next two sectors, Copyright and Creative Industries Sector and the Regional and National Development Sector. I would request all Delegations to now make interventions if they desire to do so on these two Sectors, Copyright and Creative Industries Sectors and Regional and National Development Sector.

203. Japan: Thank you, Mr. Chair. As for the Copyright and Creative Industries Sector, Group B acknowledges the Sector's critical role in promoting creators' rights and fostering creative economies around the world. We also follow with great interest the work of this Sector, especially the assistance for the implementation of treaties and the support for collective management organizations that enable Member States to build robust creative ecosystems in the digital age. Group B would like to understand the reasons for the strong decrease in resources for this Sector in the next biennium compared to the current one, noting a decrease in expenditure by a total of 27 per cent. Assessing the value of the creative economy is essential for Member States to recognize its impact on their economies and to raise awareness of copyright and related rights in a broader context. We are interested in the progress of the development of the creative economy data model and its substantial potential in this area. As for the Regional and National Development Sector, Group B welcomes the transparency and detail regarding the implementation of IP and development projects. The inclusion of clear figures and performance indicators, such as the number of projects achieving expected benefits or reaching important milestones, offers Member States a more comprehensive view of the scope, impact, and progress of WIPO's development work. Group B particularly appreciates the focus on high-impact, community-oriented projects such as those empowering youth and women, strengthening IP education, and supporting the creative and cultural industries at the grassroots level. With respect to capacity building, Group B values the continued expansion of WIPO academic courses, joint master's programs, and national IP training institutions. We encourage further efforts to tailor training and technical assistance to the IP-related needs of LDCs and developing countries, and to measure the effectiveness of these interventions through participant satisfaction and the application of acquired skills. Thank you, Mr. Chair.

204. Nigeria: Thank you, Chair. Nigeria's creative economy is vibrant, yet its true size and value remain hidden. First, as we embark on the imminent rebasing of our national accounts, we request WIPO's technical support to deploy the creative economy data model in Nigeria. Accurate disaggregated data will reveal the full contribution of our digital creators, guiding

smarter policy and investment. Second, creators cannot thrive in privacy as privacy erodes their earnings. We therefore call on WIPO to develop an African-centric toolkit that bears clear legal guidance with low-cost watermarking and fingerprinting technologies that SMEs can actually afford. Such a toolkit would strengthen enforcement while respecting the bandwidth and budget realities of our region. Third, transparency in the streaming era is critical. We are offering to host WIPO's CLIP regional boot camp in Abuja or Lagos focusing on music streaming metadata and royalty tracking. Bringing rights holders, platforms, and regulators together on Nigerian soil will accelerate fair revenue flows for artists across West Africa. With better data, sharper enforcement tools, and practical capacity building, we can transform creative talent into sustainable inclusive growth. Chair, on the Regional and National Development Sector, we would like to remind the Secretariat that Africa is home to the world's fastest growing population — over 400 million people under 25. In Nigeria alone, young entrepreneurs already power more than 30 per cent of our registered SMEs, yet too few of these startups convert their creativity into protected intellectual assets. Within the Regional and National Development Sector, Nigeria would therefore urge WIPO to make youth-owned SMEs a flagship priority. Investing in youth-owned SMEs is not charity; it is the fastest route to sustainable jobs, regional value chains, and a resilient creative economy. Furthermore, my Delegation seeks clarity on expected result 4.1. The proposed Program of Work and Budget states that implementation will follow the agreed Agendas of CDIP 32 and CDIP 33. Why does it omit the Agenda agreed at CDIP 34? We request that the Secretariat explicitly captures CDIP 34 under expected results 4.1 and reflects its deliverables in the work plan. Thank you.

205. Japan: Thank you, Mr. Chair. I speak in our national capacity regarding the Regional and National Development Sector. In cooperation with WIPO, Japan has been providing assistance to developing countries through the Funds-in-Trust Japan Industrial Property Global since 1987. We would like to continue our effort to make our assistance programs even more fruitful. The Japanese Government, in cooperation with WIPO, is committed to further improving its cooperative initiatives to ensure that Japan IP Global is used even more effectively and efficiently. Thank you, Mr. Chair.

206. Pakistan: Thank you, Mr. Chair. This statement is being delivered in Pakistan's national capacity. We recognize the important work of the Copyright and Creative Industries Sector, particularly in promoting the value of creative industries, assisting in the development of CMOs, and supporting Member States in developing appropriate legal, institutional, and policy frameworks. We encourage continued technical assistance, strengthening of copyright infrastructure, and better support to local creators and cultural industries. My Delegation also appreciates the Regional and National Development Sector for its continued and strategic efforts in implementing WIPO's Development Agenda and contributing to the broader Sustainable Development Goals. We particularly welcome the Sector's work in promoting the use of TRIPS flexibilities to ensure balanced and development-oriented IP systems, the formation and strengthening of national IP strategies, and national and regional capacity-building initiatives, especially through technical assistance for the establishment of IPTIs and courses offered by the WIPO Academy. The Delegation of Pakistan also values the important role played by the Committee on Development and Intellectual Property and encourages Sectors across WIPO to continue aligning their work streams with the recommendations emerging from the Committee. Mr. Chair, we suggest that the following measures can be

undertaken to further strengthen the Sector's important work: The transparency and detail in classification of development expenditure can be enhanced with clear breakdowns by thematic area and type of support, including training, advisory, and equipment. This would better reflect impact and ensure targeted support. Performance indicators could also be expanded to indicate specific alignment with SDGs beyond user satisfaction to include more precise and measurable development outcomes. Pakistan believes that a strengthened and well-resourced Regional and National Development Sector is essential to fulfilling WIPO's development mandate and to contributing to the SDGs as part of the UN family. Thank you.

207. United States of America: Thank you, Chair. As a general matter, the United States continues to have concerns regarding the prevalence of the SDGs throughout this document, including in the sections related to the Copyright and Creative Industries and Regional and National Development Sectors. The United States opposes the use of the SDGs to guide WIPO's work. WIPO's work must be guided by WIPO's mandate. Regarding the Copyright and Creative Industries Sector, the United States appreciates the dedication of resources to programs such as CLIP as well as to the implementation of important copyright treaties such as the WCT and WPPT. We note that, in general, the budget allocated to the Copyright and Creative Industries Sector is down compared to the previous biennium. However, there is a proposed increase of over 650,000 Swiss francs for staff missions and third-party travel, which now account for close to 10 per cent of the Sector's budget compared to 5 per cent in the previous biennium. We respectfully request additional information from the Secretariat as to the reasons for the increase in the travel budget. Turning now to the Regional and National Development Sector, regarding the initiatives mentioned on page 40 under the Sector's fourth priority, the United States firmly believes all initiatives should emphasize the critical role played by IP rights and ensure any technology transfer is voluntary and on mutually agreed terms. Additionally, in lieu of general references to climate change as a policy matter or root cause of threats, the United States encourages WIPO to focus on specific environmental threats such as threats to clean air and clean water, wildfires, floods, droughts, sea level rise, and sensible environmental protections such as increasing access to affordable, reliable, and secure energy and enhancing resilience and disaster planning. Thank you, Chair.

208. Brazil: Thank you, Mr. Chair. Brazil appreciates the opportunity to comment on the proposed Program of Work and Budget for 2026/27 and wishes to raise specific observations concerning the following two key areas: the Copyright and Creative Industries Sector and the Regional and National Development Sector. We note with concern the proposed 27 per cent budget reduction for the Copyright and Creative Industries Sector, from 37.8 million Swiss francs in 2024/25 to 27.5 million francs in 2026/27. Given the increasing global relevance of the creative economy and the importance of copyright-inclusive development, this reduction raises questions about the Organization's capacity to sustain the current levels of normative, analytical, and development cooperation activities, especially on the dramatic technological development of artificial intelligence and the deeper debate on its impact in cultural sectors. We emphasize the need to ensure sufficient resources for the Standing Committee on Copyright and Related Rights (SCCR), including its regular biannual sessions and support studies on limitations and exceptions, broadcasting, and digital environment issues including AI. Brazil encourages the Secretariat to maintain the momentum of this important committee, which serves as a platform to advance balanced international discussions and development-oriented

solutions. Turning to the Regional and National Development Sector, Brazil welcomes the explicit linkage in the proposed budget to the WIPO Development Agenda and the Sustainable Development Goals, the SDGs. We note the proposed increase in the Sector's budget allocation to 85.4 million Swiss francs and commend the establishment of the Development Acceleration Fund as a continuation of the build back fund. Brazil strongly supports this initiative and recalls the successful national experience with IP and grassroots projects such as the Afro-Brazilian Women project, which demonstrates the potential of such funds to empower underserved communities in Developing and Least Developed Countries. This Delegation values the feedback provided by the Secretariat on the nature of the progress report and sector allocations to SDGs, and following up on that, we reiterate our longstanding call for greater transparency in resource allocation towards SDGs and the Development Agenda-related activities in the final version of such documents. We encourage the Secretariat to continue to move beyond qualitative references and progressively adopt a quantitative reporting framework linking expected results to financial flows in a clear and disaggregated manner. We also reaffirm the importance of regional technical assistance, including capacity building for IP Offices, support for collective management organizations, and training for local communities and MSMEs. Such initiatives are fundamental to ensuring that IP continues to be a horizontal enabler, truly serving as a tool for inclusive and sustainable development, as stated by the Director General in his opening speech. Finally, we encourage continued and adequate financial and operative support to the network of WIPO External Offices, in view of their key role in facilitating development cooperation in all regions. Taking the WIPO Brazil Office as an example, we have been able, with the support of the Organization, to really bring IP to the grassroots and help IP users, entrepreneurs, innovators, and creators to succeed within the country, with impacts across the Latin American region. Mr. Chair, I have some technical questions for the Secretariat. We will be submitting them in writing, but I would like to state some of them for the record. On the Copyright and Creative Industries Sector, specifically on budget cut justification, what specific rationale and impact assessment informed the proposed 27 per cent budget cut for the Copyright and Creative Industries Sector? On SCCR meeting support, does the budget ensure the organization of the two SCCR sessions per year with interpretation, documentation, and participation support for developing countries? On Development Agenda linkage, how much of the Sector's budget is allocated to activities explicitly linked to the Development Agenda recommendations and relevant SDGs? For example, SDGs 8, 9, and 11. On the Regional and National Development Sector, specifically on the Development Acceleration Fund, what criteria, governance, and compliance mechanisms will guide the selection, monitoring, and evaluation of projects funded through the Development Acceleration Fund? On the integration of Brazil's CDIP proposal, has the Secretariat incorporated or considered incorporating Brazil's CDIP/34/2 proposal on adding SDG sections in project templates and annual reports? If not, what are the next steps? Finally, on the support to Indigenous Peoples and Local Communities' participation, considering the chronic depletion of the Voluntary Fund, is there any budget line in the proposed Program of Work and Budget 2026/27 ensuring financial support for Indigenous Peoples and local community participation in the IGC? Thank you very much, Mr. Chair.

209. Canada: Thank you, Mr. Chair. Canada supports the statement made by Japan on behalf of Group B. With regard to the Regional and National Development Sector, Canada encourages the Secretariat to assist in the development, formulation, and implementation of

national IP strategies and plans addressing the specific needs of each Member State in consultation with local stakeholders, including right holders, intermediaries, and end users, based on principles of national ownership and sustainability. Canada is also particularly supportive of initiatives and projects that aim to close the gap in the use of IP systems, with a special focus on raising awareness and empowering groups that are otherwise underrepresented in these systems. Relatedly, Canada would welcome more information on whether the WIPO training, mentorship, and match-making program on IP for women entrepreneurs, Indigenous Peoples and Local Communities will be continuing in the next biennium. Canada continues to view the services provided by WIPO Academy as concretely improving the capacity of Member States to use the IP system. Since 1997, the WIPO Canadian Intellectual Property Office Executive Program has demonstrated Canada's strong partnership with the Academy and our ongoing commitment to supporting WIPO's technical assistance initiatives for developing countries. The program includes a one-week in-person workshop followed by a 20-week project phase providing executive-level participants from developing countries' IP Offices with comprehensive training in trademarks, patents, and management. The 27<sup>th</sup> edition of the program is set to resume in October 2025. The Canadian Intellectual Property Office looks forward to continuing this annual collaboration in 2026/27. On the Academy's plans to continue partnering with institutions in different countries to deliver high-quality and impactful IP graduate programs, Canada would appreciate more information on efforts that will be deployed to offer such programming in official languages other than English. Thank you.

210. Egypt: Thank you, Chair. Concerning the Copyright and Creative Industries, my Delegation greatly appreciates all the efforts that have been made by this Sector during the past few years, and we look forward to the continuation and intensification of this work to serve all the Member States, in particular the developing countries and the LDCs. In this respect, we think it is extremely important to intensify all those important initiatives like WIPO CLIP, WIPO Connect in developing countries and in the LDCs, and the creation of partnerships on the ground to implement and intensify the benefits to our countries from those initiatives. We would also like to underline the importance of the work carried out by this Sector, that is to say the programs for extending technical assistance and support to developing countries and LDCs, and the utilization of copyright and related rights as one of the tools to protect the cultures and traditions of our countries. We look forward to the continuation of the efforts by this Sector during the upcoming biennium. In conclusion, we would like to associate ourselves with previous speakers who have inquired why there has been a reduction to the budget of the Copyright and Creative Industries Sector and how that is going to impact the agenda and the work program of this sector.

211. Russian Federation: Thank you, Chair. On the Copyright and Creative Industries Sector, the Russian Federation stresses the importance of developing copyright in the digital sphere and supporting the creative industries. In our view, these pillars are very important in the context of further development of the Sector. We hope that within this Sector and the relevant Committee, Member States will manage to agree on orientations of work on these issues and to solve any problem. As regards the Regional and National Development Sector, we note the productive cooperation at the national and regional levels, with a high level of interaction, in particular on joint educational events for users of countries in our region. Also, we commend the close work with the Regional and National Development Sector and the WIPO Office in the

Russian Federation. We commend the high level of implementation of two important projects jointly carried out by the Sector and the Office in Russia last year. These are projects to support small and medium-sized enterprises in the Russian Federation and an awareness-raising project on Intellectual Property for the Indigenous Peoples of Russia. These projects were successfully completed together with the External Office of WIPO and the Russian Federation. We are especially grateful for this. We hope that further projects and activities of the Sector and of the Office will continue to develop and cover topical issues, promoting the achievement of national, regional, and international challenges and goals faced by the Organization and the Russian Federation. Also, we note the importance of the work to implement the Development Agenda and the contribution to the attainment of the Sustainable Development Goals. We think that implementing recommendations of the Development Agenda and achievement of the Sustainable Development Goals is an extremely important element in WIPO's work. It's a line which runs through all the projects and activities of the Organization. We hope that the resources invested will be sufficient to implement all the projects planned within the Regional and National Development Sector, and we are happy to continue to work together with everyone in all these work areas.

212. China: Thank you, Chair. I will be very brief. China thanks and appreciates the efforts made by the Regional and National Development Sector in promoting the development of the global IP systems. Through means of China's Funds-in-Trust, we will continue to support developing countries of the Global South to the best of our ability. We will continue to constructively engage in discussions on the comprehensive implementation of WIPO's Development Agenda and its alignment with the UN SDGs. We note that on page 40, the Sector will develop best practices and partnerships to connect IP with social innovation initiatives. We wonder if the Secretariat could elaborate further on the specific activities planned in this regard. Thank you.

213. Chair: Thank you, China. Dear Colleagues, we have come to the end of the list this morning. The questions raised on the second set of two Sectors have been duly noted by the Secretariat. We will come back after the break giving opportunity to any other Delegation that wishes to raise a question and we will request the Secretariat to respond. I will give the floor to France before we adjourn the meeting.

214. France: Thank you, Chair. Just a question, if you allow, to know whether we can make further statements this afternoon as you have closed the list of speakers for the morning. Thank you.

215. Chair: Thank you, France. We closed the list only for the morning session. So, when we return you will have the opportunity to come back and make comments or ask more questions. With that, dear Colleagues, this meeting is adjourned. Thank you.

216. Vice Chair: Delegates, it's a pleasure to be back with you again in this afternoon session and we're going to continue the work which we started this morning. For many hours this week, as you know, we'll be spending our time looking at the proposed Program of Work and Budget for 2026/27. Before we move on to that, allow me to remind you that in order to facilitate the linguistic rights of all Delegates, if you have your statements prepared in writing, then please do send them to the interpreting team and you can do that to the email address which the

Secretariat put up yesterday which is [interpretation@wipo.int](mailto:interpretation@wipo.int). That would make life a lot easier for the interpreters and enable you to speak in the language you have a right to. So, as I was saying, we're going to pick up where we left off this morning. Allow me to remind you that we are currently looking at the proposed Program of Work and Budget for the Copyright and Creative Industries Sector and the Regional and National Development Sector. Any Delegation who wishes to speak can still take the floor. We got to the end of the list of speakers in the morning, but the list is now open again. The first thing I'm going to do is to give the floor to the Delegation that requested to speak before the lunch break which is the Delegation of France.

217. France: Thank you very much, Vice Chair. We welcome the initiatives put forward in the proposed Program of Work and Budget for 2026/27. France is happy to contribute to the Sector through its Funds-in-Trust and will continue to play an important part in the Regional and National Development Sector. In terms of the Copyright and Creative Industries Sector, the initiatives underway demonstrate the focus on the protection and promotion of intellectual creation, through projects such as building national and regional capacities in the area of collective management or support for creators in a digital environment, which are vital. However, we note that the budget has dropped since the previous biennium, and this raises concern with regard to the capacity to effectively implement projects in this Sector. Could we get clarification of the reasons for this budget reduction and the measures foreseen to guarantee that planned outputs will be achieved despite the restricted budgetary situation?

218. Egypt: Thank you very much, Vice Chair. In terms of the Regional and National Development Sector, we welcome the work that has been done in this Organization by the Regional and National Development Sector in order to promote the development of the economy and society, particularly in Developing Countries and LDCs, in cooperation with these countries according to the priorities and needs at the national level, while bearing in mind the Sustainable Development Goals when it comes to implementing such activities in light of the Development Agenda of this Organization. This will strengthen the role of this Organization in this area, and we welcome these initiatives and any activities that can have a direct impact on the ground and results from cooperation with SMEs, women, young people, and local communities, as we seek to develop environmentally friendly systems that at the same time promote creativity. We look forward to further projects being announced as we move forward and continue the work of the Organization. We hope very much that in the operations of this Organization, this Sector will play a key role when it comes to coordinating technical assistance and capacity building. This will help us meet new and arising challenges, particularly those coming from new technologies such as AI and its impact on creativity and creative systems in developing countries.

219. Vice Chair: Thank you very much indeed. I see no further requests for the floor from Delegations. So, I'll give the floor now to the Secretariat who will respond to your questions. What I'm going to do is to give the floor to the Secretariat who will then coordinate the responses giving the floor to the appropriate individuals.

220. Secretariat: Thank you Vice Chair. Before giving the floor to Sector Leads, if you will allow me just to answer one question which came up from various Delegations namely the decrease in the budget for the Copyright and Creative Industry Sector. So, the decrease is primarily driven by, it is actually fully driven by, the reorganization of the Information and Digital

Outreach Division and the move of the copyright development function to the Regional and National Development Sector. The integration of copyright development within the Regional and National Development Sector has provided a one-stop-shop for industrial property and copyright at the same time to enhance the development cooperation services to Member States. The move of the digital outreach functions, so this includes the web communication and publication and design sections, to the Infrastructure and Platform Sector will bring the core functions of marketing and digital outreach closer together with a view to strengthening WIPO's brand messaging, the integration of the entire customer journey and securing data driven decision making based on real-time analytics and insight. So, this is really to enhance the synergies between the customer service function, which is already in the Infrastructure and Platform Sector, and the marketing and digital outreach activities. I would like to add that we have added to the copyright and creative work program of the Sector a total of 2.6 million Swiss francs for the establishment of the creative economy data program. So, on the one hand, web communication and publications are being moved to the Infrastructure and Platform Sector, but on the other hand we have added 2.6 million for the establishment of the Creative Economy Data Model program. So, with that, I will hand over to the DDG, Copyright and Creative Industries Sector to respond to the more specific questions related to copyright and the creative industries.

221. Deputy Director General, Copyright and Creative Industries Sector: Thank you very much for giving me the floor. I'm going to pick up the questions not in the order that they were put. I will start with the American question on the travel expenditure. The United States noted an increase from 5 per cent to 10 per cent under travel in the budget. In response to that question, as Maya Bachner has just said, there is a decrease in the base since the last biennium. Thus, the percentage compared to the total doesn't reflect the real increase of this expense for travel. However, there is an increase but it's significantly less, and the increase planned should cover the rolling out of a new Creative Economy Data Model program, which didn't exist in the previous biennium and for that we have planned a certain amount of trips to countries launching this program. There will be a lot of remote work taking place but there will also be moments where it's necessary to get the team together on the ground. We are planning one or two journeys to the countries that will launch the program. The second increase comes from the second SCCR which has been included in the budget for the next biennium. The participants financed by WIPO will have their costs covered for getting to Geneva. The third source, which is also related to good news, is the expansion of the Global Awards Program. That's a new program but as we are seeing today its status is increasing from year to year. And the increase in costs allocated for travel covers the increasing number of award winners and a slight expansion in the size of the international jury, which meets together once a year. It's important for the jury to be there in person when the awards are given. This is a program which doesn't come with a financial advantage, but it does provide a mentorship program afterwards for the award winners. Over the year, either they travel to certain countries to receive counsel from certain mentors, or the mentors travel to them. Here there's also a small travel expenditure. But as I have said, that is very much in relation to the positive development of this activity. So, 650,000 Swiss francs is the planned budget, with about 400,000 Swiss francs for third parties, 200,000 Swiss francs for the internal resources of WIPO. Second, the two SCCR sessions is something I have just touched upon. Brazil asked a question on this. Absolutely right. These two sessions are budgeted for in the next biennium, but I have to remind you that this is without

prejudice to the Director General's prerogative to establish the WIPO calendar. But notwithstanding that, we have two meetings planned subject to the point I have just made. Thirdly, many of you raised the issue of the development of this new program, the Creative Economy Data Model, CEDM. You asked how that program would be rolled out, what path of development it would follow over time, and how it would align with the Sustainable Development Goals. This program is going to be implemented on the basis of a concept paper which lays out the methodology, which consists of collecting data coming from the creative industry sector, analyzing them and then using that analytical work to gauge the potential of the creative industries in national development and in contributing to the wealth of the country. What distinguishes this program over other programs that might have existed in the past or which might still exist but don't measure the same thing, is that the method being used actually assesses the potential for growth. Thanks to this program, the countries that decide to apply it to their own creative economy will then be able to use indicators to monitor year-on-year development of the sector, and to assess what impact any measure or group of measures might have, so that they can check, take stock, and consider which factors are likely to have a better impact on the creative sector. Thus, the program will certainly help professionals, but it will also serve as a compass for states to know whether their creative industry sector is heading in the right direction and is on track to realize its potential for growth. This is a methodology that has been established in cooperation with international experts from different backgrounds and cultures to make sure the approach is as open as possible. We have developed a number of pilots. The first pilot project is taking place in the Philippines. They took the courageous step of serving as the first test setting for this project. We have also launched another pilot which is a little bit more than an actual pilot project because the first pilot project was launched in the Philippines in June last year. The first countries to have accepted to carry out the implementation of the model are Azerbaijan, Thailand and Trinidad and Tobago. As we are speaking now, Kyrgyzstan is launching its own program, and Chile has also submitted an official request for implementing the program in the country. I have to be honest and say that the waiting list for the program is growing. The departure point to trigger this program is a political commitment from a high enough level to ensure that the investment would be sustained in order to bring benefits. We also need to ensure that basic tools are available to enable us to assist the country in the collection and analysis of data. What we do is we bring together multisectoral teams in the country involving the Ministry for the Economy, the Ministry for Trade, the Office for Statistics, and obviously the Ministry for Culture. We also bring in private players, because in the creative industries we need to feed data from the private sector. What that means, of course, is that we have to persuade the private sector that it is in their interest to share their data with us. We are not talking about private or confidential data, but it is their proprietary data. As I have said, we have launched pilot projects already, and we are going to ensure that the project is launched on all continents. Many are already covered. Projects are going to be available for all countries, not just developing countries. We have had some expressions of interest from some developed countries who are seeking to improve their systems. There should be 12 countries involved in 2025. The program will grow from the next biennium and get up to cruising speed. We hope very much that those countries hosting pilot projects this year will serve as drivers for the dissemination of useful information at the regional level. We also have the idea that more of these projects will be carried out in certain regions or groups of countries. I understand ASEAN countries are very enthusiastic about developing these projects and we also have a project in the Caribbean region. We are going to try to develop this project by region,

which will also benefit the countries in those regions. With regard to the sustainable development aspect of this project, after talking about deploying the project I will consider the aspect of sustainability. When we undertake a project in a country it is not a “one-off” activity that happens and then disappears. The studies and the work are done by the Member States themselves, with remote support from teams of experts we make available to them throughout the lifetime of the project. The work is carried out by Member States with our very close support, and then the collection and the analysis of the data as well as the methodology which is applied to that collection and analysis provides the opportunity for an updated evaluation from year-to-year. We do not have to repeat the whole process each year, but an update can be done each year, rather than having one study every ten years to measure the impact of a program on a country. I think that brings me to the end of the discussion on the sustainability of the project. Maya Bachner will cover the impact of our program in the context of the Sustainable Development Goals. Before I close, I am sure you will have understood from what Maya Bachner explained to you that the reduction in our budget, which looks rather drastic on its face, does not reflect a corresponding reduction in our core operations. Of course, the fact that we have transferred to my neighbor here our division for copyright development means that we have lost human resources. We have generously given a director and two P4s. But the transfer process in this Organization means that once you have passed on your budget and your human resources, then unfortunately when you have a new project like the CEDM, or another project or development within a project, you are then faced with a bit of a Malthusian situation. That is to say that the human resources at my disposal today are being whittled away a little bit, like “*peau de chagrin*”, not being reduced enormously but somewhat. Indeed, it is true that we will have to work with that drop in human resources. I have noted both in your interventions and in the extremely useful information you have provided via the survey, that you have huge expectations and many projects to undertake with us in the area of the digital environment, not only with regard to the collection of data, but also the interoperability mechanisms in the digital environment and notably in the future AI environment. All of these questions of infrastructure, all of the new kinds of licenses, from smart contracts to blockchain, are going to be integrated into all of the rights management systems. These are huge projects and WIPO is expected to play a role in them because we have this global perspective, which is absolutely essential. So, at some point we may find ourselves in a difficult situation with respect to human resources, because I have lost posts at a certain level. I may be able to get a few more young recruits, at a lower level than those I have lost. They will be young. Fresh blood is very good for the Organization. We are bringing new experiences and diverse cultures into the Organization. But I might be a bit pressed in terms of managing the work. For this reason, we must continue this dialogue with our human resources and budget colleagues to be able to meet all your expectations with the high quality services that it is our mission to develop for you and with you. Thank you.

222. Deputy Director General, Regional and National Development Sector: Thank you, thank you, Maya. Let me begin by expressing our appreciation to all Delegates for their input, comments, suggestions that we duly took note of. Thank you very much indeed. There are some questions, but I will be very, very brief. Responding to questions should be brief. First, to the Distinguished Delegate from Nigeria stressing the importance that we continue to focus on youth. Just for your information, the Division for Africa as well as the WIPO Nigeria Office are working together to strengthen our engagement with youth. We have youth competition on IP, and we have regular study tours from high schools to the WIPO Nigeria Office. But rest assured,

we are going to continue, particularly in Africa, considering that more than 60 per cent of the population are under 35. Thank you very much indeed. Distinguished Delegate of Brazil asking about the Development Acceleration Fund. The criteria are exactly the same as this is a transition from the build back fund. One of the most important things, we only fund projects that are going to generate big impact on the ground. So, this is one of the criteria in the build back fund and as well as in the Acceleration Fund. To the Distinguished Delegate from Canada, let me express my appreciation for the collaboration with CIPO on the executive programs that we have just renewed last October through our MOU. And then on your question about the languages in the joint master's degree as well as other courses, I will ask my colleague from the WIPO Academy to answer that. But before it, I would like to refer to the Distinguished Delegate of China who spot in on page 40 on social innovation initiatives. So the Sector will work closely with other Sectors and external partners, including within the UN system, to support the use of IP as a tool for social innovation which can provide tangible solutions for development related challenges in areas such as education, agriculture, creative industry tourism, etc. This work will include a practical focus to projects and capacity building which can help businesses to use IP, such as trademarks and patents, so not to only unlock value and growth for their businesses but also drive meaningful long-term positive benefits from their innovation. I would like also to refer to the Distinguished Delegate of Egypt. Rest assured, in the next biennium, we are going to continue rolling out impactful projects on the ground. This year, 2025, we are implementing 89 projects in developed, transition, developing and LDCs countries. The beneficiaries are SMEs, youth, women entrepreneurs, indigenous and local communities. It is very heartening to note that at the conclusion of the projects, the projects will be between 8 to 12 months, it is heartening because so many Member States have replicated the projects and inserted them in national programs of relevant ministries. So, we are very happy and we continue to pilot projects for new beneficiaries. So, we have IP for people with disabilities, IP for young migrant entrepreneurs, IP and sports, IP for indigenous communities, IP for rural women entrepreneurs and even in Africa we have a women in agribusiness project. So that is I think I have answered the question, but I will give the floor to the Director, IP eLearning and Internal Training Program.

223. Secretariat: The question was, I think, what are the languages in the master's program and government officials' courses. It may be one of them, but I will answer both of them. In 2025, based on demand, we have about 17 master's programs and among these 17, two are in French with the University of Yaoundé II with OAPI and University of Mohammed VI Polytechnic Morocco. One is in Spanish with the University of San Andreas and one in Russian with Kazguu University, Kazakhstan. Among the nine courses for government officials, one is in Spanish with the Spanish Patent and Trademark Office and focuses on trademarks for Latin American countries. That's what I wanted to say but just to note that predominantly countries come with requests for and seek support for master's programs in English, even when the national language is not English. However, we are seeing, as many developing countries are beginning to see IP as a national and strategic tool for development, that more and more national languages are being requested. A good indicator of this is our IPTI's, IP E-learning, where all UN languages and other national languages are used, and we have reached about 27

languages. This is a good indicator that more national languages will probably be requested in the future for Government officials and master's programs. Thank you.

224. Secretariat: Vice Chair, if you allow me, I think there are two additional questions. One question was from the Distinguished Delegate of Nigeria concerning the baseline for an indicator on page 43 in the English version, "implementation of topics on IP and development discussed in the CDIP" and the reference to the agendas of CDIP 32 and CDIP 33. Indeed, that is mentioned in the baseline, and those will be updated. So, all the baselines in the Program of Work and Budget refer to 2024, and they will be automatically updated when we report back to you in the first WPR. So, please rest assured they will be updated with the correct CDIP session numbers. The second question was from the Distinguished Delegate from Brazil related to how much budget is allocated for Development Agenda recommendations and SDGs. If I may take the opportunity to recall that WIPO has a fully results-based budget, which means that we budget for WIPO's expected results in the strategy house under the four strategic pillars and the foundation. It is a fully results-based budget. We are very, very proud of it because we are one of the very few, if not the only one, who has a fully results-based budget, with every franc of our budget being linked to expected results. But we budget for the expected results of the Organization. Now, as far as the Development Agenda recommendations are concerned, they are guiding the work program of the Sectors, and we have illustrated the ones which guide the work Sector by Sector. So, that can be a bit different depending on the development-oriented work in each Sector. As far as the SDGs are concerned, we contribute, so WIPO, with our results-based budget, we budget for the expected results, and through our mandate, we contribute to the SDGs. But we do not budget for SDGs. We budget for WIPO's expected results in the strategy house. If I may also, if you allow me two more minutes, Vice Chair, I would like to take the opportunity to say that we have progressively improved the way that we are illustrating the contribution of WIPO's work to the SDGs. So, you will see that in this proposed Program of Work and Budget 2026/27, it is a different illustration. We have tried to make it in relative terms to make it clearer which ones we are contributing more to and which ones we are relatively contributing less to. So, I just wanted to take that opportunity to clarify that. Thank you very much, Vice Chair.

225. Canada: Thank you very much to the Deputy Director General for the answers that we have been given regarding the Sector of copyright. As other members, we are a bit surprised that there has been a very sharp reduction in the budget. Also, if you compare this with the 2024/25 and 2022/23 budgets, I think there is clearly a trend. We hope that this will not create problems, because Canada attaches a lot of importance to this Sector, particularly for the creative industries. We hope that in future budgets we will be able to secure sufficient resources so that we can keep the new blood coming in, as you have said you wish to achieve.

226. Japan: Thank you, Vice Chair. In my national capacity, I would like to thank the Secretariat for their explanation. Regarding the Copyright and Creative Industries Sector, we now understand that one of the main reasons for the 27 per cent budgetary reduction is the restructuring of the Copyright Development Division and the incorporation of its functions into the Regional and National Development Sector. The aim of the restructuring is understood to be to ensure that the Regional and National Development Sector takes on the role of a one-stop shop for development assistance across all IP areas. At the same time, this organizational restructuring increases the importance of cross-sectoral coordination within WIPO in order to

leverage sufficient expertise on copyright and related rights issues in development assistance. For more than 30 years, the Agency for Cultural Affairs of the Government of Japan has been providing assistance to developing countries through the Funds-in-Trust for Copyright, which has contributed to broader membership in WIPO treaties and enhanced CMOs. We would therefore kindly request that the Secretariat continue its efforts to coordinate closely across Sectors regarding development assistance activities, including projects funded by Japan, so that the organizational restructuring results in more robust cooperation between the Joint International Commission and the International Development Office, and in activities being implemented more effectively and efficiently through cooperation across the Organization. Thank you, Vice Chair.

227. Vice Chair: Thank you very much for that intervention. There are no further specific requests from other Delegations so I think that we can take note of what you have said. I don't know if the Secretariat wants to make any comment on these two interventions. If not, if there are no further requests for the floor, thank you for your work and we are going to continue with the next two Sectors, the Infrastructure and Platforms Sector and the Global Challenges and Partnerships Sector. Let's open a first round of discussions if there are any Delegations wishing to take the floor on these two Sectors which we are going to analyze now. So, we are going to be looking at pages 46 to 58. The Sector Leads are on the podium.

228. Japan: Thank you, Mr. Vice Chair. As for the Infrastructure and Platforms Sector, Group B acknowledges the Sector's pivotal role in driving WIPO's digital transformation and ensuring the reliability and security of its global services. Turning to the expansion of WIPO's global databases — PATENTSCOPE, the Global Brand Database, and the Global Design Database, we welcome the ongoing efforts to enhance these critical resources for the benefit of users worldwide. Group B recognizes and commends WIPO's strong commitment to transforming customer experience, marketing, and digital outreach. We welcome the Secretariat's efforts to implement a unified, customer-focused approach across all global IP systems, including the planned rollout of an integrated Customer Relationship Management (CRM) platform by 2026. The use of advanced technologies has already led to measurable improvements, including higher transfer accuracy and faster processing times. Group B encourages WIPO to continue leveraging digital innovation to improve user satisfaction and ensure that customer feedback is systematically integrated into service improvements. As for the Global Challenges and Partnership Sector, Group B acknowledges the Sector's contribution to WIPO's efforts to address global issues through intellectual property, particularly the work of the Building Respect for IP Division for its contribution to raising awareness of the importance of IP rights enforcement for the benefit of all rights holders and users. Group B also values WIPO's commitment to strategic foresight, as demonstrated by the work on the Future of IP, including the WIPO Pulse Survey. We encourage the Secretariat to ensure rigorous data collection and regional representation, and to provide regular updates on the implementation of foresight recommendations. Thank you, Mr. Vice Chair.

229. China: Thank you, Mr. Vice Chairman. Regarding the Infrastructure and Platforms Sector, China appreciates the work done and the results achieved by the Sector over the years in leveraging digital and technological innovation to better serve WIPO and global IP stakeholders. Over the years, the Chinese National IP Administration, as a receiving Office and Office of Origin, has consistently converted Madrid and PCT applications and registration

documents into full-text XML format for the International Bureau in order to help WIPO effectively increase the level of automation. We will continue to do so in the future. We also support WIPO's AI dialogue and other frontier technology-related work. We further support the greater use of highly cost-effective AI tools in IT programs for developing countries, such as those under the Infrastructure and Platforms Sector. China has also noted that this year the Sector has started to work on customer experience and marketing for the first time and has also allocated a budget as well as established performance indicators in this regard. As this is cross-sectoral work, we welcome it and look forward to seeing its results in the future. We have a concrete question here. China has noted that this Sector, in the next biennium, will increase its budget by more than 100 million, which is a 34 per cent increase. We would like to know which divisions or programs will benefit from this part of the increase. With regard to the Global Challenges and Partnerships Sector, China values and supports the IGC on IP, GRATK, and folklores. We do hope that, on the basis of the successful and historic treaties concluded last year, WIPO will continue to allocate adequate resources in the next biennium for Member States to carry out international norm-setting activities through the IGC platform. China has also noted that WIPO has allocated a certain amount of resources to youth and IP rights as well as climate response. We do hope these programs and platforms can yield more concrete results so as to promote the effective implementation of the UN SDGs.

230. Russian Federation: Thank you, Vice Chair. Regarding the Infrastructure and Platforms Sector, we support the digital agenda in WIPO, and we share the understanding that digital technology will become a driving force of innovative development. Its introduction into all aspects of work in Intellectual Property and cooperation with applicants and the private sector will accelerate and automate processes, which will have an impact on the global IP system as a whole. It is important, we believe, to take practical decisions developed by WIPO for Intellectual Property Offices and to work on the development of global databases, including the global databases of brands and designs. We believe it is necessary to continue the work to extend the geographical scope, with a view to providing broader information for these databases. There is no doubt that implementing digital technologies in the work of WIPO and IP Offices will facilitate the quality-of-service provision to clients, particularly with regard to services for international registration in the context of WIPO's global systems. We consider that cutting-edge technology and Intellectual Property are inextricably linked in our age. We thank WIPO for providing a platform for the discussion of questions at the interface of IP and new technologies. We also note the path of work in WIPO for international classification and standards. We believe it is extremely important to carry out timely work in the Organization to develop new international standards in the area of Intellectual Property. The Russian Federation is a leader of two task forces in the WIPO Standards Committee — task forces working on trends in technology and the technology of blockchain. We hope that the result of work in these task forces will enable us to broadly implement these technologies in the activities of Intellectual Property Offices and in the work of WIPO. We welcome the expected result and the resources allocated for achieving these outcomes in regard to the Global Challenges and Partnership Sector. We also note the importance of this work with regard to traditional knowledge and recognizing the protection and preservation of Intellectual Property. We also welcome the work area for involving youth in the Intellectual Property systems. Other areas of work in this Sector are also particularly of interest

to Russia, and we hope to be able to continue our collaboration to achieve success in all of these areas.

231. Japan: Thank you, Vice Chair. I'm speaking on behalf of Japan in my national capacity. We support the proposed Program of Work and Budget for the Infrastructure and Platform Sector, and we recognize the importance of the responsibilities of this Sector listed in the proposed Program of Work and Budget. For example, especially regarding IP and frontier technologies, WIPO has taken the lead in providing a forum for users and IP Offices around the world to share information and discuss new technologies through the WIPO Conversation. Since the utilization of new technologies such as AI is attracting more and more attention, it is commendable that WIPO has taken the initiative to promote activities among global users and IP Offices to utilize these new technologies. The use of new technologies and the advancement of digital transformation will become increasingly important from the viewpoint of models, including the improvement of service quality, and it will be necessary to continue securing sufficient budgets for these activities. As for the Global Challenges and Partnerships Sector, the Japan Patent Office has been a WIPO GREEN partner and has high expectations for WIPO GREEN's future efforts to help solve global environmental issues. Since the number of WIPO GREEN Partners in Japan is the largest in the world, and each partner has been proactive in terms of participating in related activities, we accordingly recognize their significant contributions toward the development of WIPO GREEN. With the growing interest in solving social issues through IP, we firmly believe that the broader and more effective use of WIPO GREEN is crucial and that the necessary budget should be secured for this purpose. It is highly commendable that the proposed Program of Work and Budget indicates a strengthened effort, including the WIPO GREEN acceleration projects and the green technology book. We have high expectations for the necessary budget to be secured for these initiatives. Thank you, Vice Chair.

232. Canada: Thank you, Mr. Vice Chair. Canada supports the statement made by Japan on behalf of Group B with regards to the Global Challenges and Partnerships Sector and supports WIPO's efforts to address global challenges through IP, including leveraging IP and innovation to support climate resilience and the voluntary transfer of technology. We support the continued growth of WIPO GREEN and look forward to further collaborations that enable SMEs and innovators to access green technology markets while strengthening IP financing and mechanisms for sustainable innovation. Canada strongly supports WIPO's efforts to ensure the meaningful participation of Indigenous Peoples in discussions relating to IP and genetic resources, traditional knowledge, and traditional cultural expressions. We would welcome more information on how WIPO will enhance Indigenous Peoples' and Local Communities' participation in the global IP ecosystem. Canada will continue to follow with interest the work of the Organization towards the development of information systems to support IP management for GRTK-TCE. Canada supports effective IP enforcement frameworks that maintain an appropriate balance between the rights of IP rights holders and the legitimate interests of IP users. Canada looks forward to the Sector's efforts to expand the evidence base on IP enforcement and respect. Noting that expenditures towards expected result 2.3 have significantly decreased since the 2022/23 biennium, Canada would appreciate more information on how the Organization explains this decrease and how it will be working to advance this expected result. As international discussions on public health, climate change, and other global challenges increasingly implicate IP, Canada is especially grateful for the Sector's efforts to

advance trilateral cooperation with WHO and WTO to address emerging public health, IP, and trade issues, and to provide clarity on the importance of the IP system and predictable IP frameworks as a critical tool in addressing global challenges. Canada considers such efforts invaluable to ensuring that IP systems continue to provide the necessary incentives for creative and innovative endeavors. Thank you.

233. United States of America: Thank you, Vice Chair. As a general matter, the United States continues to have concerns regarding the prevalence of the SDGs throughout the proposed Program of Work and Budget, including the sections related to the Infrastructure and Platforms and Global Challenges and Partnerships Sectors. The United States opposes attempts to use the SDGs to guide WIPO's work. WIPO's work must be guided by WIPO's mandate as contained in Article 3 of the WIPO Convention. The United States would like to acknowledge the work being done by the Building Respect for IP Division, which is very valuable to governments and IP stakeholders around the world. In particular, we support the pilot WIPO Forum for IP Prosecutors, the Division's efforts to raise awareness and provide resources with respect to combating counterfeiting, and expert-led conferences and webinars on IP enforcement and respect for IP. Regarding the Sector's work related to genetic resources, traditional knowledge, and traditional cultural expressions, the United States is concerned that this portion of the proposed Program of Work and Budget is too forward-leaning and gets ahead of the discussions underway at the IGC. We also insist that work undertaken regarding IP and health properly emphasizes the importance of the use of IP in addressing health-related issues and reiterate that all work undertaken by WIPO, including its contributions to any trilateral cooperation with the WTO and WHO, must be in line with its mandate to promote the protection and use of IP. The United States reiterates that all initiatives in the Sector should emphasize the critical role played by IP rights and ensure that any technology transfer be voluntary and on mutually agreed terms.

234. Brazil: Thank you, Mr. Vice Chair. Brazil welcomes the opportunity to address the proposed Program of Work and Budget for 2026/27, and in particular the components concerning the Infrastructure and Platforms and Global Challenges and Partnership Sectors. Starting with the Infrastructure and Platforms Sector, we acknowledge the critical role the Sector plays in maintaining and modernizing WIPO's digital backbone and service delivery systems. We commend the Organization's efforts to embrace a cloud-first strategy, implement ERP enhancements, and strengthen its cybersecurity framework. These initiatives are essential to ensuring business continuity and resilience in a digitally driven institutional environment. We particularly note the planned advances in AI-powered tools for translation and data analytics and stress the importance of ensuring that these technologies are deployed responsibly, inclusively, and with human oversight. As AI becomes more integrated into functions including content generation and data processing, Brazil encourages WIPO to facilitate Member States' engagement on governance frameworks and transparency standards for these digital innovations. One final point, this Delegation follows with great interest the organization of the AI dialogue series, and we reiterate that IP and AI-related discussions would always be better channeled through the existing Committees, respecting WIPO's member-driven approach. Turning to the Global Challenges and Partnerships Sector, Brazil welcomes the Sector's continued emphasis on linking Intellectual Property with broader global priorities, much in line with the intervention made by the Distinguished Delegation of Canada, including climate

change, global health, food security, and implementation of the Sustainable Development Goals. We take positive note of the WIPO GREEN and IP and global health initiatives, which have shown potential to address real-world development needs. We encourage the Secretariat to further strengthen partnerships in these areas, including with regional organizations and stakeholders from developing countries. We also emphasize the importance of maintaining support for Indigenous Peoples and Local Communities' participation, including in the IGC, and urge the inclusion of a dedicated budget line to fund their travel and engagement in the discussions. We would also like to recognize, in particular, WIPO's work to address global health challenges and the potential positive impacts of the use of Intellectual Property tools to address pressing needs in the developing world. In this sense, we commend WIPO's commitment to work with stakeholders to help developing countries build innovation ecosystems that leverage IP for sustainable health outcomes, in accordance with expected results 2.2, 3.3, and 4.4. We also praise the work to advance the trilateral cooperation between WIPO, WTO, and WHO to address emerging health, IP, and trade issues. Finally, we stress the need to preserve the development orientation of both Sectors and to ensure that tools and platforms serve the needs of users across different levels of technological and institutional development. On the technical questions to be forwarded to the Secretariat afterwards, I would like to stress, on Infrastructure and Platforms, one question on AI and automation oversight - how is WIPO ensuring that the use of AI-powered translation and analytic tools remains subject to adequate human oversight and ethical safeguards? On digital inclusion, are these initiatives planned to improve accessibility of digital platforms for users from developing countries, including those with limited infrastructure? Turning to Global Challenges and Partnerships, on budget transparency for WIPO Green and IP health programs - could the Secretariat provide a disaggregated breakdown of resources allocated to WIPO GREEN, the IP and global health initiatives, and related partnerships? On Indigenous participation in the IGC — is there a dedicated budget line in the proposed Program of Work and Budget 2026/27 for supporting the participation of Indigenous Peoples and Local Communities in the work of the IGC? Finally, on climate-focused IP projects - what new projects are being launched under the climate and green technology agenda? Thank you, Mr. Vice Chair. I will forward these questions to the Secretariat in the email they provided. Thank you very much.

235. Vice Chair: Thank you very much. It's going to be very useful if all questions can be submitted in writing and then can be included in the Q&A document. So that would be of even more help on top of the Secretariat's answers.

236. Australia: Australia thanks the Secretariat for preparing the proposed Program of Work and Budget for 2026/27. On the Global Challenges and Partnership Sector, Australia strongly supports progress on the work of the IGC and considers that the participation of Indigenous Peoples is a key issue for ensuring the legitimacy of the IGC's work. We consider that there should be a WIPO budget made available to the IGC Voluntary Fund to support Indigenous attendance at the IGC. The current mechanism for Indigenous attendance at the IGC, the Voluntary Fund, relies solely on voluntary Member State contributions and is empty. Funding from the regular budget could complement Member States' voluntary contributions and allow for greater certainty and consistency to ensure Indigenous participation. We are also very

interested in the question posed by Brazil and would be interested in the Secretariat's answer. Thank you.

237. Nigeria: Thank you, Chair. The Nigerian Delegation commends the Global Challenges and Partnerships Sector for scaling youth-focused initiatives such as the Young Experts Program and the IP Youth Ambassadors Network. We are pleased that Nigeria was part of the 12 contenders of the IP Moot Court competition. These efforts are welcome, but they must now pivot towards youth entrepreneurs, the very cohort turning climate, health, and digital challenges into business opportunities across Nigeria and, indeed, Africa. We are concerned that project selection under this Sector, and indeed other Sectors of the budget, remains largely demand-driven, approved only when Member States submit a formal request. This model risks overlooking countries, particularly in Africa, that lack the administrative capacity to articulate their needs, even when those needs are most acute. We therefore urge the Secretariat to adopt a needs-based lens for actively mapping regions where youth-led startups can deliver the greatest developmental impact and then advise Member States on high-value project concepts. A needs-based approach is especially powerful in Africa. It directs limited resources towards the highest-impact constraints, such as weak IP awareness amongst rural innovators, gender gaps in financing, or the absence of local patent information services, rather than towards the best-resourced agencies that happen to file requests. By systematically identifying and prioritizing these gaps, WIPO can catalyze inclusive growth, reduce regional disparities, and ensure that no talented young entrepreneur is left behind simply because the ecosystem lacks the capacity to demand assistance. By shifting from passive approval to strategic guidance, WIPO can ensure its resources flow to the entrepreneurs who shape resilient, knowledge-driven economies. Nigeria stands ready to collaborate in this recalibration. Thank you.

238. Vice Chair: Thank you for your statement. We will take a ten-minute break so that the Secretariat can answer the questions that have been raised by Delegations. So please return punctually so that we can resume our work. We will break for ten minutes.

239. Vice Chair: Good afternoon. We are going to take up the session again. We will take up where we left off. I would just like you to take your seats so that we can continue. We are going to give you answers to the questions that we received during the examination of these two Sectors. And following our standard practice, I'm going to give the floor to the Secretariat who is going to give the floor to the heads of the different Sectors and the other persons concerned.

240. Secretariat: Thank you, Chair. First on Infrastructure and Platforms Sector, ADG Kenichiro Natsume will take the floor first to answer the questions.

241. Assistant Director General, Infrastructure and Platforms Sector: Thank you very much, Mr. Vice Chair. First of all, let us express our sincere thanks for your very many encouraging comments which we do take note of. So, we will take those into account, and we will reflect upon them and we will work on them further. With regard to the particular questions, there was one concrete question from China that was about the reason for the budget increase. I was listening to the English interpretation and that was in that channel I heard the increase of 100 million. Unfortunately, that is not the case. It is still an increase. It is 14 million. I wish I could have 100 million. Unfortunately, those colleagues are not allowing me to do that. So that's just to make sure. And this was partially or mainly mentioned in the previous segment because that

is mainly due to the two factors. One is the move of the digital outreach function from the Copyright and Creative Industries Sector which was discussed just before us. And secondly, there are a couple of initiatives for the 2026/27 biennium for our Sector. So I don't have to repeat the discussions we had just before, but the synergy to move this digital outreach functions to Infrastructure and Platforms Sector will bring the core functions of marketing and digital outreach closer together because we have the customer experience unit already in the Sector with a view to strengthening WIPO's brand messaging, the integration of customer journey and securing data driven decision making. So, this is one of the big reasons for the increase of the budget. In addition to that, we do have some initiatives which include, of course, as we have discussed this morning, the customer relationship and customer experience journey is very important and we are going to introduce a new customer relationship management system as well as we have just started the new initiative for IT leaders from IP Offices and, of course, we would like to further develop the new functionality for our global databases including PATENTSCOPE. And, of course, the budget increase also reflects the additional personal costs driven by the statutory adjustment to salary scales and steps as well as rising medical costs as in the other Sectors. There are multiple comments on the AI dialogue and use of such technology. Let me touch upon that. Regarding this dialogue, AI and IP, the initiatives planned for 2026/27 will continue to include the WIPO Conversation which is open to all the stakeholders including Member States, of course, as mentioned this morning. We will continue that, and we will, in addition to the grassroots projects which are currently ongoing, aim to step up work in the legislative and policy space with a view to responding to challenges and opportunities arising from IP and AI. And there was also a concrete question from the Delegation of Brazil about the use of AI technology, especially in the context of human relationships and ethical safeguards and accessibility. As also mentioned by my colleague ADG Andy Staines this morning, internally we do have the mechanism, that is the AI task force chaired by ADG Andy Staines and myself, that is a cross-cutting internal mechanism to discuss these AI-related issues, including security, ethics and so forth. And we have a dedicated intranet page where all staff members are able to access necessary information, and we are implementing awareness raising so that our staff members can be up to the speed on dos and don'ts about usage of AI-related tools, including generative AI. So, we are pretty much in line. And especially use of AI assisted technology such as machine translation. We are carefully monitoring the development of the technologies, and we are monitoring, and we make sure that it is oversight by human beings, especially for example on our internet which is open to the public where we have the machine translation, we have the clear indication that a document is produced by the use of machine translation including AI. There are also some additional notions about the geographic coverage of the global databases such as PATENTSCOPE, Global Brand Database, Global Design Database. I would like to take this opportunity to express our readiness and eagerness to expand our geographical coverage of intellectual property information. So please reach out to us and please do not be surprised if we reach out to you and if there is any technical difficulties encountering from your side, Member States' side, in order for your country to share the data with us, we are more than happy to assist and talk with you so that we can increase the coverage of our global databases. With that, I think I covered most of the things. Thank you very much.

242. Assistant Director General, Global Challenges and Partnerships Sector: Distinguished Delegates, yes, thank you very much for your numerous comments, for your very useful

feedback. We have taken very good note of them. There were lots of comments complimenting the activities we are undertaking in the youth area. There were comments complimenting the WIPO GREEN public/private platform. There were comments on the participation of Indigenous Peoples and Local Communities. About three Delegations at least had specific comments that may need a response. So, with your permission, I will simply go through those that required a response. And I should like to start with the Distinguished Delegation of Japan, speaking on behalf of Group B. I think Japan made a comment not just about the Building Respect for IP Division and its awareness raising activities, but Japan also referred to the Future of IP workstream and talked about foresight recommendations. And in that regard, I simply wanted to recall that the Future of IP is not located in the Global Challenges and Partnerships Sector, but it's within the Administration, Finance and Management Sector. And you will be pleased to know Andy Staines will be presenting his Sector immediately after ours. So that's the Future of IP, not in our Sector, but in the AFMS Sector. The Distinguished Delegation of Canada wanted to know how WIPO would enhance the participation of Indigenous Peoples in our activities. And there was a supplementary question relating to the 2.3 expected result decrease in the budget. On the enhancement of the participation of Indigenous Peoples, I should mention the main vehicle we use in WIPO to fund the participation of Indigenous Peoples and Local Communities is the Voluntary Fund. And unfortunately, that Voluntary Fund is currently depleted. So, we definitely would welcome additional contributions from Member States that so wish, or that are so endowed to contribute to the Voluntary Fund which we have traditionally used to support the participation of Indigenous Peoples and Local Communities. But I should also mention that in addition to the Voluntary Fund, or rather outside of the Intergovernmental Committee context, the Traditional Knowledge Division provides several practical programs meant for Indigenous Peoples and Local Communities. And examples include programs that we have specifically for women entrepreneurs, programs for Indigenous youth and traditional medicine healers. And a lot of this information you can actually find on the WIPO website. And we can also provide additional information bilaterally if needed. So yes, we would welcome additional contributions to the Voluntary Fund, but please also note there are other activities that the Secretariat undertakes that benefit Indigenous Peoples and Local Communities. The second question raised by the Distinguished Delegation of Canada related to the 2.3 expected result decrease. And on that one, I should say the decrease relates to a figure of 68,000 Swiss francs. This is in non-personnel costs, and it owes its decrease to the fact that now you will notice we are proposing to start a Prosecutor's Forum. So, in the biennium there will not be two different ACEs. There will be one Prosecutor's Forum and there will be one Advisory Committee on Enforcement in the biennium. And this accounts for the difference, in addition to the fact that some staff time has been moved around. But that's the explanation for the difference in the amounts. Going now to the Distinguished Delegation of Brazil, you wanted to know about the figures in respect of climate change. We currently have a 4.3 million Swiss francs amount, and the explanation for that amount is that 2.15 million Swiss francs of it relates to personnel costs, and another 2.15 million Swiss francs relates to non-personnel costs. In global health, the figure is 3.9 million Swiss francs. And here it's also split between 3.1 million Swiss francs for personnel costs and 0.8 million Swiss francs for non-personnel costs. And Maya may want to confirm that, or to contradict that when I'm done. But that's the reason for the difference in amounts. Brazil also wanted to know what WIPO GREEN is planning in respect of its impactful projects and all that. And I should say we did elaborate a new strategy document at the end of last year. This is for activities we will be undertaking in the coming years. As part of this new strategy, we

emphasize scaling up of the acceleration projects, in particular with a broadening of the geographical coverage. So, we now have acceleration projects that are under preparation in respect of Colombia, Ecuador, Senegal, the Philippines, Pacific Small Island Developing States and China. We are, in addition to these acceleration projects, starting a project to implement a new technology that deals with methane emissions from palm oil mills, and this is in Indonesia. In addition, we are working on further developing the WIPO GREEN database of needs and green technologies to make it more efficient and also more useful for green technology match making including, of course, using new opportunities that are offered by the rapid developments in artificial intelligence. So, these are all activities being planned. Some are already underway in respect of the WIPO GREEN public/private platform. Now the Distinguished Delegation of Nigeria, while I don't think you had a question as such, you were pleased Nigeria had been able to participate in the finals of the moot court. I should mention, where the moot court is concerned, as you may know, Distinguished Delegates, this was the first moot court ever done in WIPO in the IP area. And we think it was a good success, considering it was our inaugural moot court. We are planning to replicate this next year and in subsequent years. We had 12 Teams in the finals this time around. But we hope next year when we start, all 193 countries will be sending their university teams to participate in the moot court. We expect even greater success in next year's moot court competition. I believe those may be the questions that were asked. Of course, there were comments by the Distinguished Delegations of China, of Japan in its national capacity, of the United States of America, of Australia. I hope I haven't left any specific question left out that was addressed to me.

243. Vice Chair: Thank you very much to the Secretariat and for the answers to the questions posed by the Delegations on the two Sectors. I see Japan is requesting the floor.

244. Japan: Thank you, Mr. Vice Chair. Sorry for interrupting you moving to the next two Sectors. Thank you very much to the Sector Leads for the explanation about our comment. I still have one further question in response to your kind explanation, especially on the Global Challenges and Partnerships Sector. To my knowledge, and as far as we heard from your explanation, we understand that you mentioned, you might have mentioned that the WIPO GREEN Strategic Plan is established and was released recently. But to my knowledge, I haven't seen any such strategic plan available online or anywhere. So, I was just wondering whether my understanding is correct or not. I would like to know whether you will have a plan to publish it online or make it available or not. Thank you very much.

245. Nigeria: Thank you, Chair. I just wanted to draw the attention of the ADG to the issues raised in our statement about the demand-based approach and needs-based approach, if they can provide some clarity to that. Thank you.

246. Canada: Thank you. On the subject of the budget for the expected result 2.3, I'm very sorry if I'm mistaken, but I'm looking at the budget here for 2026/27, page 10, 2.8 million Swiss francs. Then in 2024/25 on page 54, we have a budget at the time, of 3.8 million Swiss francs. But you said that the difference was actually much smaller. Is that right? Thank you.

247. Assistant Director General, Global Challenges and Partnerships Sector: Thank you, Vice-Chair. Yes, so three questions. The Canada one I leave to Maya. Nigeria, I think you said I may have missed out a comment you had made in respect of demand-based as opposed to

need-based. And basically, what we do is we work with Member States, depending on their needs. Of course, there may be times when Member States are not in a position to request what they would otherwise need. And if it's possible, the Secretariat is also in a position to suggest to Member States what they may want in that specific area. But in general, requests come based on the needs of Member States, meaning unless there's a specific reason, it's the Member States who make the direct requests. They say we need assistance in this area. The Secretariat is available in that area. I hope I understood you correctly. And in respect of the Distinguished Delegation of Japan, yes, I did refer to a strategy document. This is not a document that is a public document or that has been or is going to be published. So, it's an internal document that the WIPO GREEN team did to simply guide our activities in the coming years. Unless we see a specific need to make it public and publish it, it's unlikely to be a public document. And I think it will continue to be an internal guide for us in respect of our activities. What we are making public is, we are beginning to find what we call WIPO GREEN Ambassadors. So, in specific countries or in specific regions, we will identify a WIPO GREEN Ambassador who will serve as a real Ambassador of WIPO GREEN in their country of residence or in their region of residence. And so far, we have identified WIPO GREEN Ambassadors in China and in Japan. We are currently in talks with a country in the Latin American region and then we will move to the African region. We hope to replicate this in as many countries and regions as possible, and that for sure will be public information. Thank you.

248. Secretariat: On the specific question from the Distinguished Delegate of Canada, the decrease on expected result 2.3, international dialogue and cooperation on building respect for IP, indeed is a little bit higher than what we heard on the non-personnel. It is 586,000 Swiss francs in total which is the total of non-personnel that you mentioned which I think it was 86,000 Swiss francs, right? And then the rest is personnel. So basically, it is a shift. The Building Respect for IP Division contributes to three different expected results 2.3, 4.2 and 4.3. So, where you are seeing a decrease, there is a redistribution from that particular expected result and you can see there is an increase on the other ones if you look at the budget on page 57. For example, under expected result 4.2 we have legislative advice. Under expected result 4.3 we have capacity building. But it is all for building respect for IP. So, it was just to clarify that this is not the only expected result that the Building Respect for IP Division contributes to. I hope this clarifies. Thank you.

249. Russian Federation: Thank you, Vice-Chair. Thank you to the Sector Leads for their replies and explanations. We have already heard discussion today on the developing trilateral cooperation between WIPO, WTO and WHO. We welcome the efforts to enhance this trilateral cooperation. We also thank WIPO for its involvement in the development of the discussion of Intellectual Property issues at other platforms. At the same time, we would like to understand what further plans there are to strengthen this trilateral cooperation for solving global problems given the fact that the discussion on the pandemic treaty with WHO is taking place and coming to a logical conclusion this week. Does WIPO have specific plans and ideas to continue activities to enhance this trilateral cooperation? Thank you very much.

250. Assistant Director General, Global Challenges and Partnerships Sector: Thank you, Vice-Chair. Yes, to the Distinguished Delegation of the Russian Federation, we do have plans to continue our important trilateral cooperation with the World Health Organization and the World Trade Organization. Where WHO is concerned, yes, we are currently an observer there. So, we

did participate in the negotiations that took place in the International Negotiating Body as they called it, INB, which has adopted a text of a pandemic treaty which is being sent to the World Health Assembly meeting this week and next week to adopt it as a final text. And WIPO will continue to make its expertise in IP, in technology and innovation available at Member States' request. But, yes, at the trilateral level, we certainly are going to continue a very important arrangement we have with the two organizations. The three Directors General meet once or twice every year. We also have a symposium every year. We are already planning the symposium for this year. It will probably be in October or November. And what we do each year is we pick a topic that's of relevance to all three organizations. Seeing as they are in the process of adopting the pandemic treaty, we will probably pick a topic that deals directly with that pandemic treaty, for purposes of this year's symposium. And in short, we do intend to continue the collaboration with WHO and WTO. We meet at the Directors General level. We meet at the Deputy Director General and Assistant Director General level. And we meet at the Director level throughout the year to tailor activities to the respective benefit of WHO, WIPO and WTO members. Thank you, Mr. Vice Chair.

251. Vice Chair: Thank you for that response. It looks as if there are no further requests for the floor from Delegations. But, of course, you can put a question if you wish, but that seems not to be the case at the moment. So, allow me to thank both Sector Leads and we'll carry on with our work. Our attention now turns to the IP and Innovation Ecosystems Sector and the Administration, Finance and Management Sector.

252. Japan: Thank you, Mr. Vice Chair. As for the IP and Innovation Ecosystem Sector, it could be acknowledged the Sector's critical role in bridging the IP system with real-world innovation, particularly through the Global Entrepreneur Empowerment Program and Technology Innovation Support Centre (TISC). While recommending progress on the IP and Innovation Ecosystem, we recommend enhanced metrics to evaluate long-term impact. The high number of visitors to the WIPO Lex database underscores its value, but accessibility barriers may persist in achieving a 20 per cent increase in visitor numbers. We propose the integration of AI-powered legal analysis tools to enhance such functionality. As for the Administration, Finance and Management Sector, it could be acknowledged the central role of the Administration, Finance and Management Sector in ensuring WIPO's operational integrity and financial sustainability. We commend the Secretariat for the significant advancement made in strengthening cybersecurity as reflected in the allocation of 24.3 million Swiss francs for this area. We welcome the continued prioritization of digital transformation with further emphasis on next-generation ERP implementation and the integration of AI to improve efficiency and data-driven decision-making. The explicit targets for translation cost reduction from 0.48 Swiss francs to 0.4 Swiss francs per word demonstrate a concrete commitment to cost control and innovation. The further strengthening of cybersecurity, including the convergence of physical and cyber domains and the commitment to faster incident response times, is also a positive development. As to the employee engagement of WIPO staff, we now note the absence of eSat metrics in the current document, which were previously used to measure staff satisfaction. We request the Secretariat to clarify the reason behind the discontinuation of eSat for transparent monitoring of workforce well-being and organizational culture, and the alternative methods to gather information on staff satisfaction and well-being. Finally, we support the increased focus on energy efficiency and smart facility management and encourage continued investment in

sustainable infrastructure. In summary, Group B welcomes this Sector's strengthened focus on digital innovation, risk management and transparency. We look forward to regular updates on the implementation of these priorities and the impact on WIPO's effectiveness. We look forward to further constructive engagement with all Member States. Thank you, Mr. Vice Chair.

253. United States of America: Thank you, Vice-Chair. As a general matter, the United States continues to have concerns regarding the prevalence of the SDGs throughout this document, including the sections related to the IP and Innovation Ecosystem Sector. The United States opposes the use of the SDGs to guide WIPO's work. WIPO's work must be guided by WIPO's mandate as contained in Article 3 of the WIPO Convention. The United States strongly supports the work undertaken by the IP and Innovation Ecosystem Sector. The Sector provides important empirical analyses on economics and innovation that allow businesses and policymakers to make informed decisions. The tools and resources managed by the Sector provide immense value to a wide range of IP stakeholders and help creators, brands, and innovators engage more fully in the IP ecosystem, ultimately contributing to the success of economies around the world. Thank you, Vice-Chair.

254. China: Thank you, Mr. Vice-Chair. Regarding the IP and Innovation Ecosystem Sector, China wishes to thank this sector, since its inception, for its efforts to help build a balanced and effective IP ecosystem for Member States. We have two specific questions. We noticed that in the following biennium, the budget allocated for the Sector is increased by more than 10 million Swiss francs, with an increase rate of 20 per cent. We would like to know where this part of the increased budget will be allocated to specifically. Second, we do not see a specific responsible sector or department for the Global Entrepreneurship Empowerment Program. Therefore, we would like to know whether this Sector is related to this program and whether there is a specific implementation plan for GEEP. Regarding the Administration, Finance and Management Sector and the Sector of the Director General, we would like to thank their long-standing efforts in ensuring the sound operation and good governance of WIPO. On page 66, it is stated that in supporting the work of this Organization, the Sector should adopt a future-thinking and strategic foresight approach, to which we agree. We hope that the Administration, Finance and Management Sector and the Sector related to the DG's Office, in areas such as expanding language regimes in the Madrid and the Hague Systems, will carry out strategic initiatives that contribute to WIPO's long-term development. In addition, China has proposed a downward adjustment to the unit cost performance indicator for the Hague System under the Brands and Designs Sector. As this indicator also appears on page 69, we recommend the necessary revisions be made accordingly. Thank you.

255. Brazil: Thank you, Mr. Vice Chair. Brazil welcomes again the opportunity to comment on the activities of the IP and Innovation Ecosystem Sector, which remains a cornerstone of WIPO's development-oriented programming in the able hands of ADG Marco Aleman. We recognize the relevance of the Sector in building institutional capacities, promoting technology transfer, and supporting micro, small and medium-sized enterprises, start-ups, universities, and research institutions in leveraging Intellectual Property as a driver of inclusive innovation. In this regard, we take note of the proposed budget allocation of 61 million francs for the 2026/27 biennium. Brazil supports the continued development of initiatives such as the Global Entrepreneur Empowerment Program, the Technology and Innovation Support Centers, and activities related to Technology Transfer Offices (TTOs). These tools are instrumental in

ensuring that the benefits of the IP system reach innovation actors in the global South. We also highlight the importance of strengthening national innovation metrics and IP commercialization strategies, which can contribute to evidence-based policymaking. In this context, Brazil encourages WIPO to ensure that its methodologies on platforms, including those linked to IP analytics are accessible, adaptable, and responsive to the diverse needs and capacities of all Member States. In addition, we underscore the need to maintain support for capacity-building activities, particularly those delivered in partnership with national and regional IP training institutions. The development of tailored skills certification programs and hybrid learning formats is welcome and should be expanded where possible. Finally, Brazil reiterates the importance of linking innovation programming to the Development Agenda recommendations and, again, the Sustainable Development Goals in a more quantifiable and transparent manner. We encourage the Secretariat to refine its reporting frameworks in this regard, including with respect to the expected outcomes of innovation support services in developing countries. Mr. Vice Chair, I will now proceed to the technical questions for the Secretariat, to be submitted again in writing, on budgetary and programmatic clarity - can the Secretariat provide a detailed budget breakdown for the IP and Innovation Ecosystem Sector, including allocations for TISCs, MSME support, TTO initiatives, and IP analytic tools? On programmatic activities and tools - what concrete deliverables are planned for technology transfer capacity-building, especially for universities and research institutions in developing countries? On the Global Entrepreneur Empowerment Program — what specific services and expected outcomes are planned under this new program for MSMEs and start-ups, and how will performance be monitored across different regions? And finally, on capacity-building and certification - is WIPO planning to support the development or implementation of national or regional innovation strategies, including those using the Global Innovation Index or similar tools? Thank you again, Mr. Vice Chair.

256. Egypt: Thank you, Mr. Chair, and thank you to the ADG. The Egypt Delegation acknowledges the important role the IP and Innovation Ecosystem Sector is playing in supporting and leveraging IP for business innovators, and the vital work being done by the WIPO Judicial Institute and the WIPO Arbitration and Mediation Center. We thank the Sector for the support being delivered to developing and least developed countries during the last biennium. I just have a few questions regarding the resource allocation as outlined here on page 67. We do see an increase in temporary staff by around 39 per cent, an increase in travel and training by about 76 per cent, and an increase in conference and contractual services by around 100 per cent in the proposed Program of Work and Budget. If you can kindly clarify the reason behind these increases, it would be much appreciated. Thank you.

257. Algeria: Thank you, Mr. Vice Chair. The Delegation of Algeria wishes to express its appreciation for the valuable initiatives and tools presented under the IP and Innovation Ecosystem sector. We commend the growing focus on innovation capacity building and support to local businesses, including SMEs, startups, and research institutions. We particularly welcome the continued development of services such as the WIPO IP diagnostics tools, the IP management clinics, and the expansion of TISCs, which play a critical role in empowering innovators in developing countries. We also recognize the important work being done to promote IP as financially assessed, and the technical assistance provided to Member States on designing national IP strategies. We are encouraged by the growing use of platforms such as WIPO Lex and by the work of the Judicial Institute and the Arbitration and Mediation Center,

which provide essential support for fair and accessible IP dispute resolution. Mr. Vice Chair, while we support these initiatives, we would like to ask two questions. First, how does WIPO plan to ensure geographical balance and equitable access to these services, particularly in underserved regions with limited infrastructure or digital capacity? Second, regarding the increasing demand for assistance in IP finance and valuation, are there plans to provide more tailored training and tailored programs for developing countries, especially those aiming to strengthen their innovation ecosystems? In conclusion, Algeria supports the activity of this Sector and encourages WIPO to continue aligning its work with the development priorities of Member States. Thank you.

258. Russian Federation: Thank you very much, Vice Chair. The Russian Federation emphasizes the importance of the IP and Innovation Ecosystems Sector. We share the understanding of the need to further technical and constructive support as a Member State and for users throughout the world, including providing assistance to SMEs. In this regard, we would like to positively note the activities regarding IP for business. Within the framework of this area, WIPO developed a diagnostic tool for intellectual property as part of the implementation of a corresponding project in the Russian Federation. This tool was fully adapted and translated into Russian and improved from the point of view of taking into account the specifics of national legislation. This project was implemented jointly with the WIPO External Office in the Russian Federation, and our users actively use these tools. We would also like to positively note the direction of work on IP for innovators. In particular, we welcome WIPO's activities in creating and developing innovation technology support centers, including expanding access of institutions and the general public to information in the field of intellectual property, as well as stimulating the active use of such information to develop innovative and creative potential. We note that the Russian Federation has the most and extensive network of TISCs in the world, a network of innovation technology support centers. The process of its qualitative and quantitative development and expansion of functions is constantly underway. Over the past year, 9 new innovation technology support centers were opened in Russia. Thus, the total number of operating centers in the country has reached 190 centers. It is noteworthy that these centers were opened in 71 regions of the Russian Federation. For our part, we are ready to continue close cooperation with WIPO on the further development of the TISC network both in Russia and around the world. We would also like to note that we see the need for a more detailed breakdown of the allocated funds for specific projects. A similar issue has already been raised by the esteemed Delegation of Brazil. We would like to more clearly understand what projects are planned to be implemented and what financial resources will be allocated for them. We also note the increased budget proposals for temporary personnel. We would like to clarify with the Secretariat the reason for the involvement of third-party experts, given that the Organization itself has a fairly representative staff of experts in these areas. Thank you very much.

259. Nigeria: Thank you, Chair. Nigeria recognizes the pivotal role of the Sector of the Director General in delivering WIPO's Strategic Workforce Plan and Geographical Diversity Action Plan. A key benchmark in this document is the 11 per cent baseline share of staff from the African Group across the professional and higher categories. To track genuine progress, we respectfully request that the Secretariat provide, at this session, the current percentage of African staff disaggregated by grade and show how those figures compare with the 11 per cent baseline. In addition, we would welcome clarification on the trajectory and year-on-year targets

that would move the Organization towards full geographical balance at senior decision-making levels. Transparent, grade-specific data will allow all Member States to monitor progress and to work with the Secretariat on concrete pipeline initiatives such as the comments and targeted recruitment drives to ensure that African talent is equitably represented throughout the Organization. Thank you.

260. Vice Chair: Thank you. And just giving Delegations an opportunity to take the floor if they so wish. If not, then we will give the Secretariat a moment to be able to respond to your questions. So, should we take a break, ADG Aleman, of ten minutes so that the Secretariat can coordinate? The Russian Federation is asking for the floor.

261. Russian Federation: Do we understand that we are now discussing both sectors, the IP and Innovation Ecosystems Sector, as well as the Administration, Finance and Management Sector? If that is the case, we would like to add to our statement the comments on the Administration, Finance and Management Sector, if you don't mind. There is one particular point, we would like to focus on the evaluation function, which is a key element of the results-based management system and the accountability system. According to the expert review on WIPO's work on evaluation carried out by the UN Evaluation Group, WIPO has a lot of work to do to improve the evaluation implementation mechanism. In this regard, we would ask the Secretariat to reflect in the text of the proposed Program of Work and Budget for the Administration, Finance and Management Sector your intentions and plans to improve the WIPO evaluation function. We leave specific wording to the discretion of the Internal Oversight Division, we hope that you will be able to present your view on this topic at the next session of the PBC. Thank you.

262. Canada: We will make our intervention on the Administration, Finance and Management Sector as well. Canada continues to support WIPO's transparent and sound management approach, as well as the strong audit architecture of the Organization's programs. Canada encourages WIPO's financial prudence, including in the management of its reserves. Canada believes that oversight and accountability are at the heart of good governance. Oversight bodies, including the Internal Oversight Division, the Independent Oversight Advisory Committee, the Joint Inspection Unit, and the External Auditor, play a crucial role in this regard and promote rigorous internal controls and efficient use of resources. WIPO should ensure that its regular budget provides adequate funding for oversight bodies and that their recommendations are implemented. WIPO should also ensure adequate funding for its Ethics Office. Canada looks forward to continued progress towards achieving gender parity among WIPO staff and implementing WIPO's Geographical Diversity Action Plan and its Disability Inclusion Strategy.

263. Egypt: Thank you, Mr. Vice Chair. I just have a question regarding the Administration, Finance and Management Sector, specifically regarding expected result 5.1. I am referring to the percentage per region, which I understand is meant to reflect geographical diversity per region. Previously, I believe in the previous biennia, the baseline to reflect this was the 1975 Accord, please correct me if I'm wrong. So, is this supposed to be a reflection of the baseline, or does the baseline actually come from a different source? Regarding the target, we currently have the target geographical distribution of posts as of December 2027. Could you kindly please

clarify this, as I have found different wording and approaches compared to the previous biennia on this issue? Thank you so much.

264. Vice Chair: Thank you. Secretariat has taken note of these questions. So, we're going to take a recess of ten minutes and then you will get answers. So, we'll be back in ten minutes and we'll continue our work then.

265. Vice Chair: We're going to start up again. I think that there are still some Delegations who are still outside, but we have to be punctual and at 6:00 PM we've got a cut-off time. So please, dear Delegates, let's start and I will give the floor to the Sectors to answer and we're going to hear from the Administration, Finance and Management Sector. The Assistant Director General is not with us because he is at a meeting of the UN80. Unfortunately, he had a very important meeting, but you know that the team for this Sector, I think that they are almost entirely represented will answer all your questions regarding questions pertaining to the Administration, Finance and Management Sector.

266. Assistant Director General, IP and Innovation Ecosystems Sector: Many thanks, Mr. Chair. Let me start thanking all the Delegations for the very positive comments and appreciation for the work that my team and I are doing in the different areas of competence of the IP and Innovation Ecosystem Sector. Let me go through some of the specific questions that were raised by different Delegations, and I will reply but, of course, the team that is in the room will be happy to go deeper in case additional information may be needed by those Delegations. Let me start with the Delegation of Japan. There are two questions that have been raised by Delegation of Japan. The first one refers to how we can evaluate the long-term impact of the technology and information centers and what is the kind of metrics we are using to do that. Indeed, if you go to page 63 for the expected results and performance indicators, you will see that related to TISCs, there are some KPIs that are exactly in that direction. The first one is the number of sustainable national TISC networks. It means among the different networks those that reach the level of sustainability. The total number of sustainable networks that have been indicated as a KPI is 60 in the biennium. So, we add in to the 52, eight additional sustainable networks. The second indicator that is in the direction of long-term impact of the TISCs is the level of maturity. We differentiate with maturity level number 1, maturity level number 2 and number 3., TISCs at maturity level 3 are those that are able to perform more sophisticated services and those that perform that type of sophisticated service like freedom to operate, patent analytics and all the type of those services are the TISCs that reaching that level of maturity are very prepared to serve the different communities. So, these two indicators measure the way this network progresses, in terms of sustainability and in terms of maturity. The second question that was mentioned today by the Japanese Delegation is related to WIPO Lex and indeed it was mentioned that WIPO Lex is one of the most successful WIPO databases and the 1.6 million unique visitors baseline in 2024 shows the relevance and impact of this database worldwide. A number of very key projects of the database such as curating the data in order to have better data available for use, improving user experience and the outlook of the whole database has been improved and adding new elements to the database that are either related to specific areas of information like, for example, the recent adding of information on standard essential patents, for example, is one of those new areas and new features that have been added to the database. As mentioned by the Delegation, we are indeed working on how we can make that information more useful for you and for different users. As mentioned by the Delegation, artificial

intelligence plays a very key role and we have a team that is already working on piloting how different tools, including artificial intelligence, can allow us to extract more information from the database to be helpful in areas like, for example, analytic interpretation coming from the evolution of legislation and how all the information available in the database can be explored further. Indeed, we are aligned with you and there are a number of initiatives in that regard. Let me now turn to the Delegation of China that raised a number of very key issues. The first one is one related to an increase in the total budget allocation of the Sector of 10 million Swiss francs, an about 20 per cent increase indeed. I would mention that, that increase is primarily driven by new priorities and new initiatives for the 2026/27 biennium which include, among others, the Global Entrepreneurship Empowerment Program that had been mentioned before and I will refer to later on. The TISC certification program that is a program to equip better the staff of TISCs in order to make sure that we level the playing field of those experts working in TISCs in order to improve the stability of the staff and to improve the quality of the service. It is a very big program, as you can imagine, training the staff of a network of 1,600 of those TISCs worldwide is a project that requires resources that are in line with the size of this endeavor. Strengthening the creative economy research, we are looking for new areas of work in which we can extract additional data that can be useful for different stakeholders in the area of the creative economy and probably some of you have been exposed to a recent publication in terms of trade in music that describe very well not only when the music is produced but which are the countries consuming that music and the different trading patterns that are happening in the online environment and these data we have received a great deal of positive comments about their usefulness. So, this is one of many other areas that are going to be developed as an area of research and work. We want to move in after music in areas like film, video games and other areas in which we want to highlight and equip different stakeholders with the analysis of a huge amount of data coming from different online platforms that describe very well the situation in each one of those areas of work. And finally, increase partnership with very renowned institutions in different work areas we are conducting. I will name two, the work with the Harvard Growth Lab in order to produce a report on innovation capabilities, a long term work that we do hope is going to equip the Organization and Member States with granular data on which are the different capabilities in each one of those jurisdictions and certainly will impact in the right direction policy making in those jurisdictions. And the second one, our work with the LUISS University in Rome, the business school of the LUISS University in order to produce the report that probably some of you are familiar with on investment in intangible assets that describe very well the relevance of intangible assets worldwide and for the first time our Chief Economist and his team have been able to produce a worldwide report from a trustworthy source that describes what is the situation of intangible assets in different jurisdictions and we progressively are adding additional jurisdictions to this report. Last year we had India and this year we are adding Brazil, and we will continue adding additional high-income economies and key jurisdictions to the report to be more comprehensive. This explains some of those increases and I do hope this information will satisfy the Chinese Delegation. I will be more than happy to go in more detail if needed. The second question from the Chinese Delegation was related to the Global Entrepreneur Empowerment Program and in particular the dynamics of coordination in between Sectors. It was a very valid question in the sense that is not attributed to one single Sector because indeed it is a matter of opening a one stop shop for SMEs. They can knock on one door and from there get the support they need to use IP in a positive way. It is a project that requires internal coordination and probably more than one Sector is going to be involved in that

exercise, and we will be able to provide you with more details later on. Mr. Chair, it is 6:00, I don't know what you propose. Okay. Thank you. Let me then move to the question, at least some of the questions, raised by the Delegation of Brazil. The Delegation of Brazil requests, and this was echoed by a number of other Delegations, a breakdown on how we spend the resources in areas like IP analytics, TISCs, technology transfer and knowledge transfer and commercialization and IP finance and valuation. The amounts are as follows. On IP analytics we are devoting 2.4 million Swiss Francs. In the case of TISCs, 4.1 million Swiss francs. In the case of knowledge and technology transfer and commercialization, 4.7 million Swiss francs. And in the case of IP finance and valuation, 1.4 million Swiss francs have been allocated to those services. The same Delegation, regarding the Global Entrepreneurship Empowerment Program requests information about performance indicators to monitor that project. As I mentioned before, this project is coordinated among different Sectors but let me highlight a few of the KPIs that already help us to track progress on this project. Let me mention the following. The number of unique visitors to the web-based services targeting inventors and SMEs, including number of visitors and downloads. Second, the number of unique visitors for publications, tools and platforms in the area of IP analytics. The number of SMEs intermediaries who are using WIPO materials and tools and finally the number of SMEs using WIPO material or tools, including those accessing via the intermediaries' program. So, these four metrics allow us to identify the performance of this project. Let me turn now into some of the requests made by Egypt. Let me mention that one of the requests from Egypt was about resource allocation. Probably my reply to the Delegation of Brazil will satisfy the Delegation from Egypt. Now in the case of Algeria, who raised the issue of geographical balance in terms of how we plan to get access to regions with more limited capacity, in particular programs related to the work with SMEs and the work on IP and finance and on valuation. Indeed, the Delegation is right. It is a challenge. If we use the example of some of our programs and tools, some of those programs require from us an effort in order to have an in-person training and that explains somehow an increase on travel, and indeed some of these activities that require additional travel impact our allocation in travel. But we do our best to deliver our service online. One good example is our IP diagnostic tool. The WIPO IP diagnostic tool allows us to serve SMEs in different parts of the world, with access that takes place fully online and the current distribution of user shows that despite barriers in different parts of the world there is ways in which those actors, like SMEs located in the jurisdiction, can benefit from our service. If we take the case of our IP diagnostic online tool, we have as the main user of that tool, Asia and Pacific countries in which 21,815 SMEs accede and use the tool, CEBS in which 1,400 SMEs accede the tool, CACEEC, with 2,850 SMEs acceding the tool. African countries, 2,750. Group B, 8,850. Lac, 5,850 and Arab countries, 5,200. So, it shows that there is a broad access from different regions of the world to this type of tool. So, despite certain barriers there, we are confident we can keep delivering our service that way. The second point was on the IP finance project and what we plan to do in order to be able to promote valuation since valuation is one of those very key challenges of the whole IP and finance project. And indeed, we are doing a lot of work at the international level. We have an expert group on valuation. Valuation has been addressed in each one of the three international meetings and conversations that have been organized in the framework of this project, but we are moving into a more practical ground level approach. The ASEAN project, that is a project on IP valuation, allows us, for example, to train more than 450 experts on IP and intangible valuation and allows us to produce a report on the most favorite mechanism of valuation in that region and now we are moving forward to do the same in all the parts of the world. So, I do not

see a big barrier in doing these training activities on IP valuation at the national level in different parts of the world. Let me stop here probably and if I miss any concrete details of the questions, I apologize for that and I will be happy to do it after the meeting. Thank you. Back to you, Mr. Vice Chair.

267. Vice Chair: Thank you very much, Mr. Aleman. We just have five minutes left for the answers regarding the Administration, Finance and Management Sector. So, I will give the floor to Ms. Chitra. Before that I will thank the interpreters for their flexibility, and we will try to stop at 6:15 on the dot. So, I will give the floor to you to coordinate the answers from the Sector.

268. Secretariat: Thank you very much, Mr. Vice Chair and first of all on behalf of ADG Staines I would like to thank all of the Delegations for their very encouraging comments and guidance on the Administration, Finance and Management Sector implementation strategies. We did note a couple of HR questions. So, I would give the floor to the Director, Human Resources Department to address those two questions. Thank you.

269. Secretariat: As regards the first question from the Delegation of Japan on behalf of Group B on the absence of the eSat indicator in the proposed Program of Work and Budget 2026/27, this is a reflection of our advancing maturity with respect to measuring employee engagement. We are now going into our fourth engagement survey and as we become more agile in using it as an information tool, we have realized that what we want to measure is more true employee engagement than surface level satisfaction. There is an element of instant in engagement surveys. While they are very helpful to initiate discussion, they tend to capture momentary sentiment rather than the deeper connection of employees with work, with their teams and with WIPO's mission. Looking forward, this would be part of the emphasis on our cultural transformation, including other elements such as completion rates of projects, outcomes, quality of work, peer and manager feedback, internal mobility and growth. Therefore, it is a broader approach and I want to reassure you that we will continue to conduct these surveys and the outcomes will be reported in the Annual Report on Human Resources. With respect to the point raised on geographical representation, this is a subject of discussion for the Coordination Committee and it will be reflected in the Annual Report. The Annual Report on Human Resources will also be presented as an information document at the next session of the Program and Budget Committee. We will organize a pre-briefing on the report for Member States on the 10<sup>th</sup> of June and we will cover some of the points around the Geographical Diversity Action Plan (GDAP) as an Annex to the Report, further to the decision of the Coordination Committee at its previous session requesting a specific report on progress. We remain committed to transparency on the issue of geographical representation, and we will continue to provide Member States with information they need. We will also continue to engage with Member States and thank all of those who attend these meetings on a regular basis. In response to the point raised by the Delegations of Egypt and Nigeria, representation by geographical region is reported through the Geographical Distribution Report sent to Member States twice a year. This report reflects both detailed information about the geographical region, information country-by-country, grade-by-grade as well as the distribution by WIPO groups. For the KPI's, we will work on the figures as of 31<sup>st</sup> December 2025 as the baseline for the start of the next biennium and as of 31<sup>st</sup> December 2027 for the end of the biennium. At the same time, we will also share the KPIs for the Geographical Diversity Action Plan that were discussed with Member States at our last meeting on the subject. Together, all of these will allow Member

States to make informed decisions about their representation and encourage those Member States who are interested to increase their representation to engage with the Secretariat. Thank you very much.

270. Secretariat: Thank you very much. I was conversing with the Director, IOD on the comments made by the Russian Federation on evaluation, so we take due note of that, and we will come back to you in terms of how it can be reflected. I would like to make one comment again on the planning methodology and the SDGs. I think that was clarified already but just for clarity again, WIPO's implementation strategies in the Program of Work and Budget for 2026/27 are driven by the Organization's mandate and the Strategy House and its results framework. The expected results are what drives our implementation strategies. As a result of our work to move the needle towards the achievement of the expected results we contribute to the SDGs in different proportions across the Organization and this is what is illustrated throughout the document. Thank you very much, Mr. Vice Chair.

271. Vice Chair: Thank you Chitra for that information. I feel like I'm sprinting towards the finish line to finish on time. So, we will see each other again at 10:00 AM tomorrow morning to consider the annexes in the document and to review the Real Estate Strategy of the Organization. Let's not forget as well that Items 3 and 4 are still pending. It would be good to be able to move forward on those as well and adopt the points for decision. The meeting is adjourned, back tomorrow morning at 10:00 AM.

272. Vice Chair: Before we begin today's session, I would like to thank you for your patience yesterday, as well as the interpreters for their patience, since they allowed us to continue working until 6.15 pm. We still have a lot of work ahead; we will start by quickly reviewing a couple of sectors. Do delegations wish to speak on the last two sectors that we were looking at? If this is not the case, we will move on to discuss the last point of Agenda Item 5, which is the Annexes. Before I give the floor to delegations, I am going to give the floor to the Secretariat for some reminders for delegates.

273. Secretariat: Thank you, Vice-Chair. Regarding Annex I, 2024/25 Budget after Transfers, I want to recall as we announced when we introduced the agenda item that there is a typo in the first line of that table; the correct table is on page 60 in the WIPO Performance Report (WPR) 2024. Thank you, Chair.

274. Vice Chair: Thank you for reminding us of this editorial error in the document. I now give you delegates the floor to ask the representatives from the last two sectors, IP and Innovation Ecosystems Sector and the Administration, Finance and Management Sector, your questions. As there are no requests for the floor, we have concluded the first reading of the sectors. We are now going to move on to the Annexes of the document, which start on page 76 of the English version of the document. The Annexes have detailed information that is expanded on in other parts of the document. I open the floor for questions and comments on the Annexes.

275. Delegation of China: Thank you, Mr. Vice-Chair. Good morning, colleagues. Regarding the Annexes, firstly, China has noted that on page 91 of Annex VI, Indicators of the PCT System, there are only eight PCT related indicators, including workloads. Whilst on page 97 for the Madrid System, there are only seven concrete indicators; this is less than the PCT System.

However, on page 104 for the Hague System, there are only four concrete indicators. China believes that the PCT System is a contributor of 70 per cent of WIPO's operational income and is very popular among the global IP users. With more than 5 million applications received by the International Bureau, the PCT System is the most successfully administered international IP service system by WIPO. This success is because since its creation: the PCT System in terms of operational rules, language, currency and other areas adopted rather flexible and user-friendly approaches and it has been managed well. The System has a complete set of monitoring indicators on the management status of the international phase. China expects the Madrid and Hague Systems to learn valuable experiences from the PCT System, this will promote better services for global IP users from the Madrid and Hague Systems, to achieve sustainable developments for the Unions and the Organization. Especially, the set-up of more comprehensive monitoring indicators of management situation of international phase. We suggest that the Madrid System add two new indicators: i) quality of translation and ii) quality of software development. The Hague System should add: language division of workloads, the level of automation, productivity, quality of examination, quality of translation and quality of software development, which are six new indicators. Furthermore, the PCT System can also take reference from the Madrid System in introducing the indicator on pendency. We thank the Secretariat for the active engagement between the Secretariat and our Delegation. We are ready to discuss and to further exchanges with the Secretariat and all the interested parties. Furthermore, considering that in Annex I, on page 76, the table on 2024/25 Budget after Transfers will be updated at the 39<sup>th</sup> session of PBC, mainly to update the budget update of PTS and AFMS in 2024 and 2025. Our Delegation has noted that on page 78, the table on Posts by Sector refers also to the post shifts of PTS and AFMS sectors in the biennium 2024/25. Can the Secretariat be so kind as to explain further whether this table has been established based on the incorrect Annex I. If this is the case, can you update the table. Thank you.

276. Vice Chair: The Chinese Delegation has submitted a proposal to have new indicators for certain Sectors. Can the Chinese Delegation kindly submit their proposal by email to the Secretariat so that it can be shared with other Delegations? I give the floor back to the Distinguished Delegate of China.

277. China: Thank you, Vice-Chair. We are willing to share our proposal in written format with the Secretariat. Thank you very much.

278. United States of America: Thank you, Vice-Chair. With regards to the 5 million Swiss francs increase to the budget for the Regional and National Development Sector as listed in Annex II, 2026/27 Budget by Sector we recall a similar increase under Expected Result 4.1 for this Sector and understand that the budget may reflect work transferred from the Copyright and Creative Industries Sector, as well as the newly proposed Development Acceleration Fund. We would appreciate more details on the increase to this budget and the amount attributed to those two changes specifically. Regarding Annex V, Evolution and Demand for Services under the

PCT, Madrid and Hague Systems. We would appreciate the inclusion of information on the Lisbon System in the Annex.

279. Russian Federation: Thank you very much, Chair. The Russian Federation shares the concerns of the distinguished Delegate of China regarding the unification and the harmonization of the indicators for the international registration systems. We believe that to guarantee accurate and adequate transparency, it is necessary to have a similar requirement for all registration systems. Regarding the statistical forecast presented in Annex V, we received during the informal discussion clarifications from the Secretariat on what the basis for the data is, we would like to note the necessity to include national and regional contexts for future years' forecasts, with the aim of taking into consideration the realities on the ground, as we believe that the dynamic of the international registration system and national procedures can be diverge. For example, in the Russian Federation, there is a significant increase in incoming applications according to the national system from Russian applicants, and each applicant according to the national procedure can potentially be a user of the international registration system. Therefore, we believe that these nuances are very important for accurate forecasts. Thank you.

280. Vice Chair: Thank you for your intervention. Does anyone else wish to take the floor for this document? I thank all delegations that have spoken. We will continue with responses to your questions from the Secretariat.

281. Secretariat: Thank you, Vice-Chair. I will start with the first question on Annex III, 2026/27 Post by Sector. No, I confirm that that does not need to be updated it is the correct table. Next, regarding the annexes for the PCT, Madrid and Hague Systems, on KPIs – I will now provide the context of the evolution of these annexes. The first time, annexes were more detailed and operational, then operational KPIs were introduced in the Program of Work and Budget in 2008/09, and it included only the PCT System. That annex for the PCT System was there in 2008/09, 2010/11 and 2012/13. It was only for the PCT System. Then in 2014/15, annexes were added for Madrid and the Hague Systems for the first time and since then, which means in the past ten years, the annexes have gone through an evolution and refinement for each biennium. The KPIs included for the global IP systems depend not only on the maturity of the Systems, but also their IT capabilities because the data to create KPIs is not unique to some of the systems, especially for the Madrid and the Hague Systems that as we know have developed constantly and evolved over the years. We have added and refined indicators as their IT capability has become stronger. So, we are committed to continue refining these indicators from one biennium to the next, however, it is very difficult to do this from one day to another. We need to firstly understand, and I do not have the in-depth knowledge of that. Is it possible to include all the indicators that we have for the PCT for Madrid and The Hague? Do we have the data on them? It is something that will take the time to develop, but again, I would like to reassure the Distinguished Delegate from China and supported by the Delegate from the Russian Federation that we are constantly looking into how we can further refine this; however, this takes time. Regarding the specific question from the American Delegation on the main factors underpinning the increase in RNDS – this is primarily driven by the move of the Copyright Development Division to RNDS. There are additional resources for Development Agenda projects, some of these Development Agenda projects that you see under the Financial and Results Overview are being implemented by RNDS and are, therefore, added to the RNDS

budget. There is a higher cost for academy tutors, so the academy is using a wide network of tutors for their various courses and there has been a cost increase also linked to inflationary pressures observed over recent years. And then we have increases in personnel costs which are linked to statutory increases and increases in medical costs. These are the main drivers for the cost increase. The Development Acceleration Fund is not one of those drivers, because it is the continuation of the build back fund which was already included in the Program of Work and Budget for 2024/25. There were some questions regarding Annex V, on the evolution of demand and filings for the global IP systems, the Chief Economist will respond to those questions.

282. Secretariat: Good morning, distinguished delegates. Concerning the question from the Russian Federation about the projected decline in PCT applications - that is part of our forecast, the model that is the basis for our forecast is a trend-based model. In the particular case of the Russian Federation if one looks at PCT applications over the last five years, there has been a downward trend, our model in this case projects that trend forward. We do not rely on national application figures as part of our forecasting exercise. This I think is partly because not every national application translates into an international patent application. The extent to which that transformation happens is difficult to predict because of time delays etc. We had looked into that at some point in the past, but we essentially concluded that that did not provide an explanation. Our forecasts do not consider developments that are specific to particular origins that might affect the level of demand for international patent applications that are not included in the historical trend; it is in that sense a technical exercise. I hope this response answers your questions. Thank you.

283. United States of America: Thank you, Vice-Chair and thank you to the Secretariat for your response to our question. Just one clarification, could you please provide the specific amount that is attributed to the Development Acceleration fund? Thank you.

284. Secretariat: Yes. The amount is 3 million Swiss francs.

285. Secretariat: I will clarify again how we proceed with our forecast – it is a trend-based forecast that relies on historical filing figures. We have tested extensively in the past using forecasts for gross domestic products and relying on correlations between gross domestic product and international patent filings in producing a forecast. But we essentially run a “horse race” of various models and concluded that that does not improve our forecast. This is mainly because GDP forecasts, for example, that the International Monetary Fund publishes come with a high degree of uncertainty. If one adds that to the uncertainty with which economic output translates into international patent filings, that essentially does not provide any additional value in terms of forecasting. Similarly to other Intellectual Property offices, we have concluded that our trend-based model is still the best model in terms of its forecasting performance. This is not a simple linear extension of past trends. It is a more sophisticated approach where we essentially rely on a combination of short-term trends and long-term trends and optimize the model according to which trends historically have done the best job in predicting future forecast filings. The short answer is, no, we do not consider national factors as it specifically relates to

economic output. We have tried that in the past and concluded that it did not improve the performance of the forecasting model.

286. Russian Federation: Thank you very much. We thank the Chief Economist for his clarifications. It goes without saying that we understand that the issue of statistical data and forecasting is a very complex issue. Concerning, the connection with the national context, we would also like to note that regularly WIPO collects statistical data about national situations on WIPO Member States. Therefore, to say that WIPO does not have all data is incorrect. In addition, for forecasting within this Program OF Work and Budget, we only see the dynamic for this year and the next two years, and the last three years. So, in this table, we do not really have an entire overview for eight or ten years for statistics as you mentioned within the methodology. If we look at the indicators from the table, we can see that the situation for forecasting is also not simple. Therefore, we are ready to work together to find a solution that is acceptable for Member States and for the Organization.

287. Secretariat: Thank you, Delegation of the Russian Federation for this additional question. I will begin by confirming that we do have the national filing figures. We are very grateful to all the Member States for responding to our annual IP statistics survey. The question of data availability is not the question at hand here, the question is if national figures add value for forecasting. Our conclusion was no. I cannot now specifically give you now national figures for the Russian Federation for the last four or five years, and I am not sure if the trend has been the same. Our particular focus is on the past PCT trend. To be clear, it goes beyond three years. We incorporate a much longer period to produce the forecast. Additionally, our forecast does not go forward all the way to 10 years. I believe it looks forward four years. For the Program of Work and Budget 2026/27 you only see the forecast that pertains to the biennium, which is the subject of the document. We are happy to share and discuss data on additional years; we are also available to answers your question on the forecast and how data is used.

288. Vice Chair: Thank you, Chief Economist for your statement. I see no requests for the floor. Thank you Delegates for your interventions and for the first reading of the proposed Program of Work and Budget for 2026/27. We will now move to the sub-item under this Agenda item 5, WIPO Estate Strategy.

289. Vice Chair: We went through the analysis of Item 5, WIPO Estate Strategy relatively quickly. We have had some interesting discussions for which we thank you. Please send your recommendations, and changes in writing to [controller.mail@wipo.int](mailto:controller.mail@wipo.int) so that they can be shared with all Delegates. We still have a couple of agenda points that have been open since Monday. I would like us to proceed to conclude these items, and as Chair, I suggest that we take up Agenda Items 3 and 4 as requested by the Distinguished Delegation of China. We will begin in reverse order, Agenda Item 4, then 3. Thank you.

290. Chair: Good afternoon, dear colleagues, thank you for your constructive engagement throughout this week and I hope and count on your support and cooperation for the remaining part of the 38<sup>th</sup> session of the PBC. I also wish to thank the delegates who have submitted proposals which have been circulated to Group Coordinators by the Secretariat. As I understand, three delegations have thus far submitted their proposals in writing, the United

States, the Russian Federation and China. At this stage, I do not intend to have a discussion on the proposals, but I think it would be in order if I request these three delegations to give them an opportunity to explain to the Member States the rationale of the proposals that they have submitted in writing which you would be considering. So how we will proceed is I will give opportunity to these three Delegations to speak first explaining their position, but we will not be holding any discussions on that. After they have explained the rationale of their written proposals, we will proceed with opening of Agenda Item 7, Methodology for Allocation of Income and Expenditure by Union. So with your permission, this is how I intend to proceed.

291. United States of America: Thank you, Chair. The United States has requested the addition of information regarding the Lisbon System to Annex V which currently contains information on the evolution and demand for services under the PCT, Madrid and Hague Systems in the medium term. We believe adding information regarding the Lisbon System will provide more transparency and insight. Thank you, Chair.

292. Russian Federation: Thank you, Chair. Good day to all. The essence of the Russian Federation's proposal is to improve the evaluation function of WIPO and taking into account the conclusions of the UNEG, the UN Evaluation Group. We believe that the text that we are proposing is effective and presents enough flexibility for the Internal Oversight Division to carry out fully its evaluation functions. We are also grateful to the Secretariat for assistance in preparing our languages proposal. Thank you.

293. China: Thank you, Chair. Good afternoon, dear colleagues. With regard to the budget, our proposal is on page 31 regarding the Hague System, New/Renewed Design Unit Cost. We would like to suggest a downward adjustment according to the range of the Madrid System.

294. Chair: Thank you, China. I thank all the three Delegations for their proposals as well as their explanation and hope it would help Member States in considering those proposals. I now intend to move to Agenda Item 7, Methodology for Allocation of Income and Expenditure by Union.

295. Chair: We will resume Agenda Item 5. There are a few proposals under Agenda Item 5. Let me take them one by one in no particular order. There is a proposal from the United States on Annex V. There is a proposal by China on the expected results and performance indicators. There is a proposal by the Russian Federation on internal justice governance and oversight. There is a proposal by China, the Group of Arab States and the Russian Federation with regard to multilingualism. I will with your permission take them one by one and seek your views as you have seen those proposals. The first we will take up is the proposal from the United States requesting adding information regarding the Lisbon system and if the Secretariat can bear with me and if the U.S. Delegation can look at it closely I would put that suggestion into the title as I believe it is intended. So, it would read, Annex V, Evolution and Demand for services under the PCT, the Madrid, the Lisbon and the Hague Systems in the Medium Term. Would that be okay? Can the Secretariat put that in red after the Madrid? We can put the Lisbon system and the Hague system in the medium term would remain as it is. Just bear with us for a minute and we will put that on the screen. I can open the floor for any comments on this and in the meantime

the Secretariat will put it on the screen as well. So I will open the floor on this proposal. I am yet to see any Delegation requesting the floor. So now it is before you on the screen, the one in light blue is the addition proposed by the United States. I still do not see any request for the floor and this is a sign that a proposal could be acceptable. May I take it that this proposal is accepted by the Member States? I do not see any objection. The proposal is adopted. Thank you delegations. I am quite impressed with the progress we are making. A couple of decisions in ten minutes, that is a good sign. I just hope that you are not saving time for some big fight, and it is a good omen. Nevertheless, I am very pleased and thank the United States for the constructive suggestion and, of course, all Member States who have accepted it and helped us move forward. As I explained earlier, the second proposal with me, I would request the Secretariat to put it on the screen as well. It is a very small suggestion regarding expected results and performance indicators. In the expected results and performance indicators in 3.2, improved productivity and service quality of WIPO's global IP systems, services, knowledge and data. In the last column, the proposal is to change the number, the Hague System new - oblique - renewed design rather than 455. It is proposed to make it 445. The proposal is to reduce by 10 francs. I will open the floor on any comments on this proposal.

296. Japan: Thank you, Mr. Chair. I also thank the Distinguished Delegate of China for proposing the amendment. Group B believes that the target unit cost of the Hague System originally proposed by the Secretariat would have a good reason for the Secretariat to propose as a target. We are not sure whether it is a reasonable way to set the target on the same ratio with the Madrid system as proposed by the Chinese Delegate. Therefore, we first would like to ask the Secretariat about the rationale behind the original proposed target figure and whether the proposed target by China would be feasible from the technical and practical viewpoint.

297. Chair: Thank you, Mr. Chair. Thank you, Japan. I do not see any other Delegation wishing to take the floor. We will take a few minutes before we have the right person in the Secretariat to respond to this query. Meanwhile, if any Delegation wishes to express or if China which has the proposal wishes to respond to this, we are open. I do not see any request for this floor. I think it is a technical question that has been asked and the proposal is also technical. We can wait a little until the Secretariat is there and can give some explanation and we can have debate on this. For the time being, this proposal I am pending for later consideration. This brings us to the third proposal by the Russian Federation on internal justice, governance and oversight. In the last paragraph there is a sentence that has been added. Let me read it out: "In addition, IOD will actively promote an evaluation culture across the organization and continue to monitor the timeliness of execution, reporting and implementation of evaluation recommendations." This proposal was also shared with you last evening. I now open the floor for any comments on this proposal.

298. Japan: Thank you, Mr. Chair. I also thank the Distinguished Delegate of the Russian Federation for proposing the amendment. There are some issues with the proposal language mainly for the following three reasons. First, IOD would be responsible for the audit investigation and evaluation. However, promoting an evaluation culture seems to go beyond the responsibility of the IOD. Second, the wording of execution and implementation are very similar. Therefore, the difference between execution of recommendations and implementation of recommendations needs to be clarified or these two words need to seem to be duplicated, so they need to be

combined. Third, there is a language in the Internal Oversight Charter, section F, 26(d): "To effectively implement WIPO's internal oversight functions, the Director, IOD shall establish and maintain follow-up systems to determine whether effective action has been taken in response to oversight recommendations within a reasonable time. The Director, IOD shall periodically report in writing to Member States, the IAOC and the Director General on situations where adequate, timely, corrective action has not been implemented." As such, we are not in a position to agree with the proposed language. Thank you, Mr. Chair.

299. Russian Federation: We thank the Distinguished Delegation of Japan speaking on behalf of Group B with comments on our proposal. We would like to point out the purpose of our proposal was to draw attention to the significance of the evaluation and oversight function and enhance its importance and its role. We are totally flexible when it comes to the actual wording. The wording on the screen right now was prepared with the help of the Director of IOD and the words on the screen were considered acceptable by the Secretariat. What I mean is they seemed to be acceptable to the Secretariat because they did not run counter to WIPO and UN documentation on this issue. We are totally open to any proposals on the text and we see it as our task just to emphasize the role of oversight as an important integral part of WIPO activities. Thank you.

300. Chair: Thank you, Russian Federation. We have a clear proposal. We have Group B as I understand Japan spoke on behalf of Group B which has opposition to this proposal. We do not have a consensus. There is no other dedication that has requested the floor. At the moment there is no consensus on this proposal. However, I do see that the language that has been quoted by Japan comes from the Internal Oversight Charter. So the language tends to overlap with that one. I intend to give a bit more time for further consultations on this. But not before giving Japan the floor which has requested the same.

301. Japan: Thank you, Mr. Chair and thank you very much for the response from the Distinguished Delegate from Russian Federation as to our concerns and questions as to this proposed language. Based on the assessments from our Member States and in the spirit of the compromise we would like to propose a revision of the language to this paragraph. "In addition, IOD will continue to monitor the implementation of evaluation recommendations in accordance with the Internal Oversight Charter." We would like to propose to replace the proposed language with our proposed revision.

302. Chair: Please change the color of the recommendation made by Japan because it is an additional suggestion. I will give the floor to the Delegation of Japan to repeat the proposal. Thank you very much.

303. Japan: Thank you. "In addition, IOD will continue to monitor the implementation of evaluation recommendations in accordance with the Internal Oversight Charter."

304. Chair: Thank you. I understand with this language the remaining language in your suggestion would be deleted, after the full stop.

305. Russian Federation: We are grateful to Group B for this proposal. We will take a closer look and in a little while we will give you our feedback. Thank you.

306. Chair: We will pause on this proposal right now as Russia would reflect on it, and we will come back to it later. This brings us to the fourth proposal by China, the Group of Arab States and the Russian Federation regarding promoting multilingualism. You can see that the added bullet point in blue which reads "promote multilingualism in the international registration systems, including through the expansion of their language regimes." I open the floor on this suggestion. I see Japan requesting the floor.

307. Japan: Thank you, Mr. Chair. Thank you very much for proposing this language by the proponents. We just received this proposed language last night and we still need time to consider and consult within the Group. We would like to come back to this later.

308. Estonia: Thank you very much, Mr. Chair we would also like to support the proposal by the Delegate of Japan on behalf of Group B.

309. Chair: I understand Japan on behalf of Group B has sought a bit more time to reflect on it. Is there any other delegation that wishes to speak on this? I don't see any request. We will take it up a little later. In the meanwhile, we will come back to the proposal by China to change the number 455 CHF in the fourth column in Expected Result 3.2 at the end of the Hague System, New Stroke Renewed Design, the document proposed 455 CHF and China suggested to change it to 445 CHF. The Delegation of Japan had requested some technical input from the Secretariat on understanding why the original number was there. So we have the Secretariat with us and can explain to us.

310. Deputy Director General, Brands and Designs Sector: Thank you, Mr. Chair, Distinguished Delegates. Indeed, the unit cost for the Hague System has been evolving. We are trying to improve the unit cost, which will accurately reflect the situation in the current Hague system. I think that everybody who is running a business will know that unit cost involves a methodology issue. The Hague System is still young and just starting to make good result. In fact, in three consecutive years it has been record high in the context of WIPO global systems. Nevertheless, for the unit cost is too difficult right now to really reflect the situation. As far as the methodology involved for the Hague, which is different both from the Madrid System and also from PCT, we need to look into it more carefully and in cooperation with the Controller to see

whether and how we can best address it and come back to you and provide more information and suggestions at the next PBC session if we are allowed. Thank you.

311. Chair: I hope it has satisfied the query raised by Japan. We are now discussing this proposal which is on the screen and we are looking forward to any views whether we can accept it or if there are any comments to the contrary. The proposal still stands. I do not see any request for the floor. Can we proceed in adopting the decision, the amendment proposed by China which is to change the number on the unit cost for the Hague system on new and renewed design from 455 to 445 CHF.

312. Japan: Thank you, Mr. Chair. Sorry for taking the floor again. Maybe I missed some language, but I am not sure whether this proposed language by China would be feasible and doable for the Secretariat and reasonable to set as their next target. I would also like to make it clear again about the reasoning of the original target figures as the Secretariat put in the original documents. Sorry for that, but I want to hear again about the reasoning of the original figure and also I would like to hear whether it is really feasible and acceptable and doable for the Secretariat to set as the next target. Thank you very much.

313. Canada: Our understanding is that this is a complex methodology, and we would expect that the original target has a specific intention behind it and so we need more information from the Secretariat before taking a decision.

314. Estonia: We would like to make a request in the same lines with the previous speakers. I think we need a bit more information here and what are the plans by the Secretariat exactly for the next years for the technical renewals of the systems and to provide of the Member States also. Thank you.

315. China: If you can see clearly, with the unit cost of the Hague system, we can see a gradual downward trend in recent years, especially with the accession of some Member States to the system in 2022, and the increase in new applications, which has brought more income. We can note that the unit cost has also dropped significantly in the biennium from 2022 to 2023, and the Organization also expects that the number of applications and income of the Hague system will continue to grow in the next biennium. Therefore, we believe that under the premise of proper management, the Hague system can set more ambitious targets in terms of unit cost, such as setting new targets with reference to the Madrid system.

316. Chair: I see that the Delegations do need a bit of time to reflect on this, at least two Delegations on behalf of two groups and another Delegation has expressed some inability to understand the technical element of it at this stage and perhaps would benefit from a little time to reflect more on it. I will pause the discussion on this proposal at this stage. We do have a few proposals now. We have agreed on the proposed language on Agenda Item 3. We have agreed all the cooperation on a proposal by the United States to the Agenda Item 5. We do have three proposals in which we have one from the Russian Federation where there has been a counterproposal. I feel that there is convergence there, but we need a bit of time. On the other two suggestions, one we just discussed, perhaps a bit more time would help reaching us a compromise and a consensus, and another one which pertains to multilingualism in Agenda

Item 5 which also some Delegations need more time. We are also working with you on some of the suggestions that were given on the Agenda Item 6 which, of course, would be ready I hope with the help of the Secretariat in the afternoon. So dear friends and colleagues, I would so we do have, you know, one of the suggestions perhaps but we will give time if there is some more suggestion on there. We have received one suggestion on Agenda Item 6 and are waiting for one or two more. We should be able to discuss this in the afternoon session. Since all the proposals have been discussed and the remaining ones require some consultation, I would encourage you to utilize this time to talk amongst yourselves and talk to the countries who have raised questions or queries on the proposals to try to find a solution. I would lean on your cooperation and understanding when we resume here at 3:00pm. I also intend that at 3:00pm after brief remarks it would be advisable with your permission to go into an informal mode. With that understanding, the meeting is adjourned.

317. Chair: Dear colleagues, I request you to settle down in your seats so that we can begin. Thank you very much, colleagues, for reconvening in the afternoon session. And let me just give a brief overview of where we are. I am reading from my own handwritten notes, so moving a little faster than the Secretariat. So please bear with me and I seek your indulgence. We adopted Agenda Item 2 on the first day. We have reached consensus decision on Agenda Item 3 as well as Agenda Item 7. We also have had four proposals on Agenda Item 5. One of them was adopted with consensus. Three of them are still pending consultation. There are three agenda items that are yet to be discussed. Agenda Item 4, Agenda Item 6 and Agenda Item 5 are still outstanding. We are still in session and if there is any new proposal, we can also take that up. I intend to proceed to suspend the formal plenary and reconvene in about five minutes as the Secretariat tells me, about 5 to 10 minutes in an informal setting which will be here. I believe that we have made good progress. We have proposals which need to be discussed and I think it would be best if we do that in the informal setting here in the plenary to be all inclusive and I sincerely hope we can make further progress. If you agree with the Chair's suggestion, this is how we intend to proceed. We will suspend the meeting for at max 10 minutes and we will reconvene here in the same room with all Delegations present in the informal mode.

318. Chair: Thank you dear colleagues for bearing with us. We are now in the formal mode of meeting. As I explained earlier and with your permission, the idea now is to afford the opportunity to the delegations who have circulated new proposals, have been conveyed to the delegations. At this stage, I will give them the opportunity to explain their proposal so that you can understand it. But perhaps if there are any comments, of course, I will open the floor for any preliminary comments, but I do understand the delegations would need some time to reflect on it and we will combine them with the other pending proposals to take them up in the meeting tomorrow morning. With that, I understand Colombia on behalf of the GRULAC would like to explain its proposal.

319. Colombia: Thank you very much, Chair. So first and foremost, I must clarify that this is a proposal supported by most of the Member States of GRULAC. Second, as we have made clear in our initial group declaration and some Member States in their national capacities have also stated that for us the immense majority of our states are interested and concerned about the voluntary fund issue. This has allowed the participation of Indigenous Peoples and Local Communities in particular in Committees which have to do with topics directly related to them.

We are concerned that the current model does not have with the current voluntary fund does not have resources for the past year and this has significantly impacted the participation of representatives. I'm not going to go into this any further because we are all familiar with the current situation. But this proposal on the screen is the result of contributions and dialogue not just from GRULAC members but also members from a variety of different groups. This proposal seeks to guarantee a contribution from the fund to the organization and this would be a contribution that does not lead to an increase of expenditure. It does not create any new obligations for expenditure. Rather, it is based on the possibility of transferring expenditure and resources and these resources which under the relevant Financial Regulations and Rules can be moved and placed where needed. This will ensure the participation of a minimum of two representatives of Indigenous Peoples on the IGC. As new expenditures are incurred, I would certainly hope that people would consider favorably the proposal on the screen. GRULAC Member States and other Member States are kindly invited to contribute to the proposal. If there are any proposed amendments, we are more than willing to take them into account. Thank you.

320. Chair: Thank you, Colombia, for the remarks and introducing your proposal. I thank you for the constructive manner in which we have proposed to work with others who may have some suggestions on your proposal. I will briefly open the floor if there are some preliminary comments. We are not going towards adoption of at this stage. We will have more discussions in the informal setting just like we had earlier tomorrow morning. If there are any preliminary comments, you can take the floor now.

321. China: China attaches great importance to the sound operation and management of the PCT, Madrid and Hague Systems. We believe that the examination quality and examination cycle have an important impact on the good operation of the relevant systems, and are also the focus of the majority of users. For this reason, we can add these KPIs, which have been displayed on the screen. After that, we had fruitful communication with the Secretariat. Based on this, we proposed the existing text, and we also welcome discussions with all parties on this.

322. Chair: Thank you, China, for your explanation to the proposal. Just as with the previous proposal, I will open the floor for any preliminary comments with the understanding that a detailed exchange on these proposals will take place tomorrow morning. I do not see any Delegation requesting the floor. These were the two proposals that were received in writing and circulated to the Member States. I will now invite all Member States who wish to make a proposal to circulate it so they have some time to take them up tomorrow morning. The floor is open if there is any Delegation that wishes to circulate or explain any new proposal at this stage. I do not see any Delegation requesting the floor. So dear Delegates and colleagues, it is my understanding that we do have now two additional proposals. We do have a proposal pending on Agenda Item 4. We have a proposal on the decision of Agenda Item 6. We had three proposals on Agenda Item 5 so this makes five proposals under Agenda Item 5. My intention is to convene tomorrow morning to take up these suggestions once again with your permission in an informal plenary. When we convene in the formal we will break to go in the informal mode and have detailed exchange on the five proposals that were pending and the two

new ones. With that understanding and with your permission we can adjourn the meeting. The meeting is adjourned.

323. Chair: Good morning, dear colleagues and welcome to the last day of this session of the PBC. Just to recap, you would recall that last evening I informed you that we intend to take up all the proposals on the table in an informal session today, and we have to reach a compromise. I'm very grateful for the constructive spirit in which our discussions have been held thus far and I think the same would guide us for the remaining part of this session. With that and with your permission, I would suspend to adjourn the formal setting and we will reconvene in five minutes in the informal setting. The meeting is adjourned.

324. Chair: We will now look at Agenda Item 5. This is the decision that we circulated to you. There is a slight change in the response to a comment that we received on subpoint 5, it takes into account all the elements and observations as discussed in the informal session. Can we display the decision on the screen.

325. Lithuania: Thank you, Honorable Chair, dear colleagues, this statement is delivered on behalf of the following countries: Albania, Bosnia Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Estonia, Latvia, Lithuania, North Macedonia, Monaco, Montenegro, Poland, Romania, Republic of Moldova, Slovakia, Slovenia, Sweden, Ukraine and the United Kingdom. Regarding the issues of the budget for the 2026/2027 biennium, we would like to make our decision based on the objective information and data. We kindly ask that the proposed budget for the Moscow External Office in the 2026/2027 biennium is based on the Secretariat's in-depth monitoring of their work program implementation and budget utilization during the 2024/2025 biennium. We request the following information: firstly, a presentation of the methodology for projecting the External Office budget, especially in the context of how economics and geopolitical risks were taken into account. Secondly, a budget breakdown for External Offices in this medium-term strategic plan horizon would be very useful to understand better the data presented by the Deputy Director General. Thirdly, based on the information from the Deputy Director General on the reduced operational budget, we would appreciate more information on the decreased level of operations as reflected in the budget for the functioning of the External Office in Moscow. Fourthly, how the operation of the External Office in Moscow has changed in the context of regional and global developments in comparison to the pre-war and pre-sanctions period. We look forward to a more insightful and detailed presentation on this matter; we are happy to engage with the Secretariat on this matter ahead of the next PBC. Thank you, Chair.

326. Russian Federation: Thank you Chair. Regarding the statement that has just been made, we would like to note that the questions raised do not relate to the substance of the issues dealt within the Program and Budget Committee, they go beyond the framework of the work of the Organization over the next two-year period. Therefore, there is no decision or discussion to be conducted, these issues were not raised during the session, and we do not believe it expedient to consider further these issues within the PBC. Our Delegation wishes to focus on the work ahead, which is to discuss the proposed Program of Work and Budget for the Organization in these two sessions, so that we are able to adopt the appropriate recommendations for the Assemblies. With regards to the questions raised, we would also like to note that if there is to be a discussion on individual details and aspects, it would be necessary

to study these matters in depth. In our view, this issue is something that should be considered as part of the assessment of the External Offices and not as a separate matter in the Program of Work and Budget discussion. The decision regarding the ongoing evaluation of the External Offices can be concluded with the fact that discussions will continue. Thank you.

327. Poland: Thank you very much, Mr. Chair. I do apologize that we are prolonging this discussion. As you know, the Group has expressed for quite some time its interest in learning how the Secretariat arrives at the budget of the External Office in Moscow, we have not put this issue as the pending issue for the discussion on the budget. However, based on the discussion that we had this week, there is still a need for further clarification and information on how the Secretariat has worked on budgeting for the next biennium. We have been quite explicit about expressing our concerns regarding operations of the External Office in Moscow and we concur with the distinguished Delegate of the United States of America's statement, nothing is agreed until everything is agreed. We will consult further with the Secretariat in between the two PBC sessions to learn more about this process. I disagree with the distinguished Delegate from the Russian Federation. I think the questions that were raised by the Group of countries are very relevant to the PBC, they also reflect how we approach the process of resource allocation of this Organization. I think I have clarified the approach of the countries that have been listed in this statement. I thank you, Mr. Chair.

328. Chair: I thank you Delegation of Poland. I do not see any other delegations requesting the floor at this stage. I have listened carefully to the statements, and I do not see any statement disagreeing with the decision that we have on the screen. While the statements are on record in the plenary meeting, I would now request all delegations to consider if we can adopt the decision that is on display on Agenda Item 5? May I take it that the Committee is ready to adopt this decision on the screen on Agenda Item 5? I do not see an objection. It is so decided. Thank you, dear colleagues, for your cooperation. I appreciate the constructive spirit, utilization of time by you and the manner in which we have proceeded. We will proceed to the closing session.

329. The Program and Budget Committee (PBC), having completed a comprehensive first review by Sector, as well as Annexes and Appendices, of the proposed Program of Work and Budget for 2026/27 (document WO/PBC/38/4):

(i) Welcomed the Program of Work and Budget proposal for the biennium 2026/27;

(ii) Agreed to the following modifications proposed by Member States as per the attached track changes document:

- i. Adding information regarding the Lisbon system in Annex V;
- ii. Moving three KPIs from the PCT, Madrid and Hague Annexes to the PTS and BDS results frameworks;

- iii. Addition of a sentence regarding evaluation in the implementation strategies of the Sector of the Director General;
- (iii) Requested the Secretariat to issue a revised version of the proposed Program of Work and Budget for 2026/27 based on (ii) above;
- (iv) Stressing the importance of cost efficiency, requested the Secretariat to review the planning assumptions for the Hague unit cost target and report back to the PBC in the WPR 2024/25.
- (v) Took note of outstanding issues for further consideration in the 39<sup>th</sup> session of the PBC, including:
  - i. Funding of the participation of Indigenous Peoples and Local Communities in the IGC meetings in 2026/27 from the regular budget in case of shortfall in the WIPO Voluntary Fund;
  - ii. Reflection of multilingualism in the BDS implementation strategies.

## WIPO ESTATE STRATEGY

330. Discussions were based on documents WO/PBC/38/INF/1.

331. Vice Chair: We will now move to the sub-item under this Agenda item 5, WIPO Estate Strategy as per document WO/PBC/38/INF/1. The Director, Central Services Division will present the document. Please note that this is an item for information and not for a decision.

332. Secretariat: Thank you very much, Mr. Chair. At the 37<sup>th</sup> session of the Program and Budget Committee (PBC), the Secretariat announced in document WO/PBC/37/11 on Capital Master Project Proposals that a long-term real estate strategy for the WIPO campus would be presented to Member States in 2025/2026. The proposed Real Estate Strategy is presented in document WO/PBC/38/INF/1 for information. The Estate Strategy reflects our prudent approach for the management of our real estate which prioritizes long-term strategic planning of renovations complemented by preventive care and maintenance. The Real Estate Strategy has been prepared with the assistance of an independent external expert selected following an open international call for tender. It also takes into account the recommendations of the former external auditors. The document is structured as follows: First, an assessment of the current situation. This starts by detailing the current real estate footprint and composition. It then turns to the results of a thorough technical due diligence of our buildings, including their energy performance and environmental impact. While recognizing that our campus is overall well maintained, it identifies a number of necessary works stemming from the age of the buildings, and the order of priority of these works. The document then elaborates on the space utilization findings, highlighting how efficiently WIPO currently uses its space, identifying opportunities for improvement and how we compare to best practices of modern and collaborative workplaces.

Second, the document presents the proposed future direction for WIPO's real estate, based on the Organization's strategic goals from both an organizational and technical perspective. The proposed Real Estate Strategy going forward prioritizes the Organization's strategic needs while addressing the weaknesses identified in the technical assessment. It reflects WIPO's determination to evolve its campus into a modern and efficient space organization that supports the Organization's innovation mandate and supports its transformation to a more open, dynamic and collaborative organizational culture. The purpose of this document is to provide WIPO and its governing bodies with a thorough analysis of what should and could be done over the next 10 years, in a cost-effective and logical sequence. As a result, necessary work and associated expenditures will be proposed for validation by Member States, either as part of the current and future regular Program of Work and Budget, or as part of potential future Capital Master Plan proposals. The Real Estate Strategy aims to be adaptable over time, depending on budget availability and potential changes in priorities. It will be regularly updated, and its implementation will be closely monitored by WIPO management.

333. Japan: Group B appreciates the Secretariat's presentation of WIPO's Estate Strategy. We support the focus on modernizing WIPO's campus and space alignment planning with flexible and remote working policies. The Strategy acknowledges the impact of flexible and remote working arrangements on space requirements. As these work modalities become more established, we would like to encourage the Secretariat to continuously monitor utilization patterns, and to adjust its plans accordingly to avoid underutilization and ensure optimal use of resources. In this context, we would like to ask what the current remote working rate for WIPO staff is, and how this trend is monitored to assess future space requirements. We also encourage the Secretariat to ensure that investment decisions are guided by transparent priorities and sound cost-benefit analysis. Furthermore, we welcome the commitment to sustainability and energy efficiency; we look forward to seeing measurable targets and regular process updates. Overall, we believe the Strategy provides a strong basis for future planning, and we encourage continued engagement with Member States as implementation moves forward. Thank you, Mr. Vice Chair.

334. Switzerland: Thank you, Vice-Chair. We would like to thank the Secretariat for the preparation and presentation of the document WO/PBC/38/INF/1 after constructive bilateral exchanges with the Secretariat on the issue of their real estate strategy. Switzerland is convinced that this strategy is relevant and should be implemented. The approach presented in the document introduced is prudent given the current climate linked to the liquidity crisis in the UN. WIPO has the means to fund by itself the work expected which is necessary for its future. Switzerland as a host state will be working in close collaboration with the Secretariat to ensure that WIPO's future modernization and construction is undertaken in an optimal manner. Thank you.

335. Japan: Thank you, Vice-Chair, I am speaking in my national capacity. We would like to commend the Secretariat for their hard work in preparing WIPO's Estate Strategy. The Strategy indicates the Organization's goal of creating a digital innovative and collaborative culture and workplace to be achieved while considering technical constraints in an efficient and cost-effective manner. We would like to commend this effort, and we believe that appropriate budget allocation is important to achieve this goal.

336. Russian Federation: Thank you, Vice-Chair. The Russian Federation welcomes the WIPO Estate Strategy prepared by the Secretariat. Thank you.

337. Secretariat: Thank you. I thank all Distinguished Delegations for the statements. Concerning the question from the Delegation of Japan on behalf of Group B, I confirm that currently the remote work policy requires staff to be present on-site three days per week. We are working very closely with HRMD to see if future changes are foreseen that may affect the policy, thus affecting the degree of space utilization and we have regular monitoring in close collaboration with our colleagues from HRMD.

338. Vice Chair: Thank you very much for your comments on behalf of the Secretariat. We have concluded the discussion on this agenda item for information; a decision is not expected from the Committee on this item. We will take a 15-minutes break.

## **ITEM 6 DRAFT TERMS OF REFERENCE OF THE 2021 EVALUATION OF WIPO EXTERNAL OFFICES**

339. Discussions were based on documents WO/PBC/38/5.

340. Chair: Good morning, dear Colleagues. And we have a slightly late start but I hope we will be able to cover up for it. We have already made good progress and as I shared with you yesterday afternoon that we would take up Agenda Item 6 in the morning today. Distinguished Delegates and Colleagues, Agenda Item 6 concerns the longstanding matter of the Draft Terms of Reference of the 2021 Evaluation of WIPO External Offices. This matter was discussed at the 31<sup>st</sup>, 33<sup>rd</sup>, 34<sup>th</sup>, 35<sup>th</sup>, 36<sup>th</sup> and 37<sup>th</sup> sessions of the PBC. Member States were unable to arrive at consensus on the Terms of Reference at the 37<sup>th</sup> session of the PBC and asked the WIPO Secretariat to update the Terms of Reference based on the views expressed by the Member States, including in the current document being negotiated, and on the Guiding Principles. After such a passage of time, I know that the Secretariat is looking to us, the Member States, for guidance on this matter. Many positions remain far apart and so we have some work to do. Of course, agreement is based on compromise and compromise, of course, rests on Member States showing flexibility. I would ask all Member States to approach this discussion in that spirit so that we are able to provide the needed guidance to the Secretariat on this important matter of the WIPO External Offices. On that note, I will hand the floor to WIPO Deputy Director General Hassan Kleib to make some introductory remarks.

341. Deputy Director General, Regional and National Development Sector: Thank you, Mr. Chair. A very good morning to all Distinguished Delegates, as you are aware, and as was well stated by the Chair, the issue before the PBC on agreeing on the Terms of Reference of the 2021 Evaluation of WIPO External Offices is a long-standing one. The fact that these terms of reference are for an evaluation originally supposed to happen in 2021 is testimony to the lack of agreement on this issue over many years. At the 37<sup>th</sup> session of PBC last June, the Member States asked the Secretariat to update the preliminary draft Terms of Reference as contained in document WO/PBC/35/7 Annex I. Member States tasked the Secretariat to base this update on the views of the Member States from the 37<sup>th</sup> session of the PBC. Member States also tasked the Secretariat to base this update on the views contained in WO/PBC/35/7 Annex I and on the

Guiding Principles from 2015. In short, the Secretariat was not provided by the Member States with any mandate to change the preliminary draft Terms of Reference as currently exists. As is evident to all, the preliminary draft Terms of Reference has become a complex accumulation of the many and often opposing views on this issue, as is clear from the document WO/PBC/38/5. To stay true to the mandate which you, the Member States, have given to the Secretariat, we approached this task in the following way. We closely and carefully read the record of the debate from the 37<sup>th</sup> session of the PBC as contained in document WO/PBC/37/14. We have then extracted direct quotes from Member States during the debate and sought to categorize these according to the main issues mentioned in document WO/PBC/35/7 Annex I. This was indeed not an easy task and we have made our very best efforts in this respect. In doing this, we have sought to bring focus to the main issues from the most recent discussion on this matter while continuing to stay within the strict boundaries of the mandate provided to the Secretariat. The result is that the primary draft Terms of Reference remains complex and, to my mind, far from helpful. Distinguished Delegates, here today we are discussing an issue which stretches back a decade. It was in 2015 when the Member States in the WIPO General Assembly agreed on the Guiding Principles regarding WIPO External Offices. These Guiding Principles explicitly state that the size and performance of the entire External Office network shall be evaluated every five years. The General Assembly decision on the Guiding Principles mentioned, and I quote, "an evaluation during 2021." We would welcome an evaluation, of course, so that we can benefit from its potential learnings and insights. We are in the hand of Member States, as we have been now for many years. It is, indeed, a Member States driven process. I would like to emphasize that the Secretariat remains committed to facilitating the discussion of Member States on this issue in the search for consensus. Thank you, Mr. Chair.

342. India: India is making this joint statement on behalf of Colombia, Iran, Republic of Korea, Romania, Saudi Arabia, UAE and India itself who have expressed interest in opening of WIPO External Offices in their countries. The question of establishing additional WIPO External Offices has remained under active consideration since the 51<sup>st</sup> session of the WIPO General Assembly in 2019 when Member States agreed to defer a decision on opening new External Offices pending a comprehensive evaluation of the existing offices by 2021. The Terms of Reference for this evaluation, however, remain unresolved as of today despite extensive deliberations. WIPO External Offices have demonstrated their value as vital conduits between WIPO's expertise and the unique needs and priorities of Member States. By operating in close proximity to the relevant stakeholders, these Offices have the ability to cultivate a nuanced understanding of local contexts, cultures and languages and interweave them in the development of IP in those countries. The proximity to local innovation ecosystems also enables them to foster robust partnerships with both public and private actors, thereby enhancing WIPO's ability to respond swiftly and effectively to emerging policy developments and to capitalize on opportunities for the development of IP. External Offices deliver essential cost-effective support services in relation to the PCT, Madrid and Hague Systems as well as in the areas of arbitration and mediation. In this capacity, they serve as catalysts for the implementation of WIPO's mandate, including the Development Agenda, and for the enhancement of Intellectual Property knowledge and capacity in the host country. It is imperative to recognize External Offices not just as expenditures, but as strategic investments in the future of IP and revenue from IP filings. As is the practice in other Geneva-based international organizations, it is both timely and appropriate for WIPO to be empowered by its Member States to establish as many External Offices as necessary to fulfill its

mandate. While the evaluation of existing External Offices remains an important undertaking, it should not serve as a precondition that impedes timely decision-making regarding the establishment of new offices. We therefore call upon all Member States to de-link the issue of finalization of the Terms of Reference for the Evaluation of External Offices with the proposal to open new External Offices, thereby enabling WIPO to respond to long-standing requests from countries on the establishment of new External Offices without further delay.

343. Japan: Group B acknowledges the updated draft Terms of Reference for the Evaluation of WIPO External Offices as presented in document W/PBC/38/5. We appreciate the Secretariat's efforts to incorporate the diverse views expressed by Member States during the previous session. We reiterate that for Group B, the evaluation process must be grounded in the fundamental principles of independence, transparency and objectivity. It is essential that the assessment is designed and implemented in a manner that is unbiased, uniform and transparent, ensuring that the findings are credible and actionable for all Member States. Group B continues to emphasize that the evaluation should be conducted by an independent and appropriately qualified evaluation team in accordance with the agreed Terms of Reference and established best practices. This is critical to maintain the integrity and credibility of the evaluation process. Furthermore, we underline the importance of ensuring that the evaluation remains focused on assessing the performance, effectiveness, efficiency and added value of the existing External Offices in line with the decisions of the General Assembly. We recall that as previously mandated, the outcome of this evaluation should inform any future consideration regarding the expansion of the External Office network. Group B stands ready to engage constructively in the ongoing discussions with the aim of finalizing the Terms of Reference and ensuring a robust and meaningful evaluation process that will support the effective governance and the strategic development of WIPO's External Offices. Thank you, Mr. Chair.

344. Estonia: Thank you very much, Mr. Chair. Distinguished Delegates, the CEBS Group thanks the Secretariat for updating the Draft Terms of Reference of the Evaluation of WIPO External Offices which is now contained in document WO/BBC/38/5. As this topic continues to be discussed for several years and has been the subject of intensive and lengthy negotiations between the Member States, the CEBS Group has always been committed to the implementation of the 2015 WIPO General Assembly's decision to conduct a review of the WIPO External Offices. The review should take place before we consider opening new External Offices. We continuously reiterate the need for the evaluation of WIPO External Offices to be carried out in a highly transparent, independent and objective manner. At the same time, the prospective evaluation needs to deliver clear reflection of the results of the operations of the External Offices, their performance against the aims defined by the previous and current Medium-Term Strategic Plan and the real fulfillment of WIPO's objectives and mission through External Offices' activities. For the CEBS Group, such a process of evaluation is even more needed today in the context of questions raised recently about the efficiency and effectiveness of the work of External Offices and their alignment with goals and objectives of the Medium-Term Strategic Plan. Therefore, we support conducting an internal audit of External Offices and we endorse updating the timetable of the evaluations in this context. At the same time, we see a great value in a presentation to all interested WIPO members on the work and activities of all External Offices during the 2025 WIPO General Assembly or 2026 session of the PBC. This would contribute to acquiring more in-depth understanding of the work of External Offices'

trajectory of evolution of their activities, especially based on experiences from previous pandemic, geopolitical vulnerabilities and expectations of IP users. It would also offer an opportunity of sharing experiences across the WIPO External Offices' community. As the operation and resource allocation of the WIPO External Office in Moscow continues to be a subject of grave concern for the overwhelming majority of CEBS members and in light of questions raised during the previous PBC discussions which would need to be sufficiently addressed, we express our expectation that the proposed budget for the Moscow External Office in the 2026/27 biennium is proposed based on the Secretariat's in-depth monitoring of the work program implementation and budget utilization during the 2024/25 biennium. We are therefore looking forward to a more insightful and detailed presentation on this matter. The CEBS Group will continue to engage constructively in the discussions on the draft Terms of Reference for the Evaluation of External Offices.

345. Namibia: Namibia is pleased to deliver the statement on behalf of the African Group. The African Group expresses its appreciation to the Secretariat for the updated draft Terms of Reference concerning the Evaluation of WIPO External Offices. We acknowledge the importance of undertaking such an evaluation as a means to enhance the overall effectiveness, efficiency and strategic alignment of WIPO's external presence. The Group encourages the Committee to advance discussions on this matter with the goal of establishing clear, transparent and objective criteria for the evaluation process. In doing so, it is essential to consider the unique roles, mandates and the operational context of each External Office. We remain committed to constructively engage and look forward to the timely finalization of this important item.

346. Colombia: Thank you very much, Chair. Colombia echoes the statement delivered by India. My Delegation would like to seize this opportunity to reiterate once again its desire to host a WIPO External Office in Colombia. We have fulfilled all of the requirements and we received the support of GRULAC since 2018. In its administrative and financial management, we have shown our robustness and the current Offices do not represent more than one per cent of the current budget. We are concerned that the process of opening new External Offices is paralyzed due to the lack of consensus regarding the ToRs, which should have happened in 2021. We believe that this situation is counterproductive, and we call upon the Organization and its Member States to make the most of a broad network of External Offices to develop synergies and to scale up programs and activities of the Organization which are adapted to regional and local contexts. Finally, my Delegation proposes that this Committee consider a decision which would include External Offices being opened as a result of the evaluation. This would see different offices being opened in regions by bringing WIPO closer to its users, closer to the ground and seeing greater implementation of its mandate. Thank you very much.

347. United Arab Emirates: Thank you very much, Chair. As it's the first time that I'm taking the floor I congratulate you on your leadership. We have full trust in your work. We should also like to thank the Secretariat of the PBC for the excellent presentation and the delivery of the documents as well as for all the presentations and explanations provided. We also welcome the Proposed Program of Work and Budget for 2026/27. We are satisfied with the financial situation of this Organization and the evaluation of its work in 2024/25. We are grateful for all of the efforts undertaken by Director General Daren Tang and all work done to boost innovation. Chair, we have followed the text submitted to us regarding the ToR of the evaluation in

document WO/PBC/38/5 regarding the update of WO/PBC/35/7 Annex I. We echo the statement delivered by India. We are in favor of broadening the network of External Offices given the role that these Offices play in bolstering the role and the presence of the Organization on a global scale and awareness raising of IP worldwide. We invite Member States to accelerate work on the evaluation of WIPO External Offices in an objective and transparent manner. This ought to be undertaken ahead of the preparation of the rolling out of new Offices in regions which are insufficiently represented in order to achieve greater balance in the Organization. The evaluation of External Offices ought not to be a barrier to opening new External Offices. We seize this opportunity to reiterate our interest in hosting a WIPO External Office. This is based on all of the progress that we have made in the field of innovation and technology and it is based on our support to furthering IP. We believe that having a WIPO External Office in our country would be a step which would help us collaborate with all countries in the region and it would help us boost SMEs and open up the services that this Organization offers. We hope that constructive work with all Member States and the Secretariat will help serve this Organization efficiently for the benefit of each and all. Thank you.

348. Algeria: Thank you very much, Chair. My Delegation echoes the statement delivered by Namibia on behalf of the African Group. We would like to thank you for the document regarding the evaluation of WIPO External Offices which includes the contributions of Member States according to the General Assembly decision in 2019. We should also like to thank the Deputy Director General for his comments. Algeria believes that the network of External Offices is an important advantage which would allow WIPO to open up its services and development activities to Member States, stakeholders and partners and help it achieve the Organization's strategic goals. The network is also an efficient way to better raise awareness on the ground and to create closer ties with various stakeholders in host countries. This could provide WIPO staff with better awareness of national issues and broaden their understanding of national cultures, the Organization and the UN family. My Delegation believes that the main objective of this evaluation is to bolster awareness raising practices, understanding better how External Offices function in order to have results which are in line with the strategic goals of the Organization. As such, the mandate ought to be based on clear and objective criteria and indicators in order to have a framework to understand the organizational capacity of these Offices and improve their functioning. The mandate of this evaluation must also be in line with the best practices of the UN system while making the most of WIPO's expertise regarding oversight and audit. We also need to ensure that Offices which are newly created in Africa cannot uphold the same criteria as elsewhere. We believe that the mandate of this evaluation must not prejudge Member States' considerations on the External Office network. This must be limited to an evaluation of the performance of each Office depending on the resources made available to it including those provided by the Member States as such. The final outcome of this evaluation must allow WIPO to improve its network to have better operational capacity notably as regards planification, supervision and responsibility. It also ought to give Member States a better understanding of how the network helps serve WIPO's priorities. We believe that this should continue. This evaluation is essential to understand the benefits of having a results-based approach as such. It is important that this evaluation be in line with practices which are established for governance bodies and WIPO sectors. Assistance which the Committee could request from supervisory bodies for this evaluation ought to be focused on factual elements.

These will allow us to shed light on how we can improve the network of WIPO External Offices. Thank you, Chair.

349. Republic of Korea: My Delegation reiterated our strong support for ensuring that the evaluation of WIPO External Offices is conducted in a transparent, independent and objective manner while also taking into account the distinct characteristics and specific circumstances of each Office. At the same time, we would like to express our concern regarding the continued delay in the establishment of new External Offices. These Offices play a vital role in strengthening WIPO's service delivery and deepening engagement with users across diverse regions. In light of the lack of substantial progress on discussions concerning the Preliminary Draft Terms of References for the Evaluation of External Offices, we have observed that the current methodology may not be conducive to achieving consensus on finalizing the ToRs. The Republic of Korea, therefore, believes that it may be prudent to consider decoupling the evaluation of existing External Offices from the process related to the designation of new ones. Additionally, we note that WIPO remains the only UN specialized agency where the decision to establish new External Offices rests solely with the Member States. To support more effective and constructive deliberation on this important matter, the Republic of Korea believes it could be helpful to explore the decision-making practices of other UN organizations as possible references. Thank you, Mr. Chair.

350. Türkiye: Thank you, Chair, for giving us the floor. As this is the first time that our Delegation is taking the floor, we would like to begin by wishing success to you and the Vice-Chair for the 38<sup>th</sup> and 39<sup>th</sup> sessions of the PBC. Our Delegation aligns itself with the statement delivered by Japan on behalf of Group B. We recognize the importance of WIPO's External Office network as an effective tool for fostering a balanced and inclusive Intellectual Property system. Therefore, we believe that the evaluation and further enhancement of this network will serve in the common interests of all Member States. As we emphasized during the previous sessions of the PBC, we are of the view that the evaluation process should be independent, impartial, transparent, and the process should be guided by an inclusive approach. Moreover, the evaluation should assess the efficiency of WIPO's responsiveness to the stakeholders in the region in a manner to enhance external coordination. It should not be structured and limited to assess the current Offices. It should also provide strategic input for the future decisions regarding the potential expansion of the network. In this respect, we wish to quickly move forward on finalizing the draft Terms of Reference and we believe that the evaluation should begin as quickly as possible allowing us to make use of these results for future decisions. Türkiye stands ready to contribute constructively to this process and reiterates its support for the External Office network as a valuable asset of the Organization. We hope that the outcome of this evaluation will help WIPO strengthen its global presence and to better serve the diverse needs of its Member States. Thank you.

351. Pakistan: Thank you, Mr. Chair. Pakistan attaches great importance to the external evaluation of the entire network of WIPO External Offices. My Delegation's consistent position on this issue is guided by the principles of neutrality, objectivity, inclusiveness, transparency, as well as the Guiding Principles regarding WIPO External Offices agreed by the General Assembly in 2015 and the recommendation contained in the External Auditor's report submitted during the 31<sup>st</sup> session of the PBC. These Guiding Principles and recommendations of the External Auditor continue to serve as important sources for the development of the ToRs and

the subsequent evaluation. Mr. Chair, the original mandate to evaluate the size and performance of the entire External Office network was contained in the Guiding Principles which state, and I quote, "The size and performance of the entire External Office network shall be evaluated every five years by the PBC, which may request the support of WIPO's External Auditors or independent external evaluators, with due regard to the different mandates and functions performed by the External Offices. The terms of reference of such evaluation shall be decided by the PBC." Based on Member State deliberations, we have a preliminary draft. Some key questions regarding the entity entrusted to carry out the evaluation, objective of the evaluation, as well as its scope, require further deliberation. In terms of objectives of the proposed evaluation, it is essential that the evaluation answers the key questions on the essentiality of the existing External Office network to the appropriate functioning of WIPO, fulfillment of its mandate and core objectives in a manner that they add clear value, efficiency and effectiveness to program delivery of the Organization. On management arrangements, my Delegation supports evaluation by an independent and external entity to ensure its impartiality and objectivity. This proposal is also in line with the guidelines of 2015. We look forward to a constructive engagement under this agenda item. Thank you.

352. Iran, (Islamic Republic of): Thank you, Mr. Chair. My Delegation thanks the Secretariat for their work in preparing document WO/PBC/38/5 on the Draft Terms of Reference of the 2021 Evaluation of the WIPO External Offices. We echo the joint statement delivered by the Delegation of India. We believe that a global and sustainable network of WIPO External Offices is of utmost importance. These Offices play a vital role in enhancing program delivery and ensuring responsiveness to the specific needs and priority of individual countries and regions. They add tangible value, efficiency and effectiveness to WIPO's operations on the ground. We note that discussions on the preliminary draft Terms of Reference have been ongoing for several years following the decision of the WIPO General Assembly in 2019 to conduct an evaluation in 2021. In this context, we underscore the importance of finalizing the Terms of Reference in a timely manner. It is our firm view that the evaluation must be conducted in a transparent, independent, objective and fair manner. To this end, the Terms of Reference should be guided by the 2015 Guiding Principles and informed by the recommendation contained in the report of the External Auditor. We reiterate our support for the evaluation of existing External Offices. However, we believe that this process should not serve to unduly delay the consideration of the establishment of new External Offices, particularly in regions where representation remains limited. The longstanding proposal to establish a WIPO External Office in the Islamic Republic of Iran is rooted in the vision of enhancing the national, regional and global Intellectual Property ecosystem. This initiative seeks to address the current absence of WIPO External Offices in Central and West Asia, thereby extending the Organization's presence to a region of strategic importance. We are of the view that the establishment of an External Office in Iran would make a meaningful contribution to advancing WIPO's developmental objectives. To conclude, we call upon all Member States to engage in a constructive and good dialogue with a view to resolving this longstanding issue. We remain committed to working collaboratively toward a balanced, inclusive and forward-looking outcome that can be agreed upon by consensus.

353. Brazil: With reference to document WO/PBC/38/5 on the Draft Terms of Reference of the 2021 Evaluation of WIPO External Offices, the Brazilian Delegation wishes to reiterate its

position in favor of the evaluation of External Offices, being external or internal, as long as it is conducted in an independent, transparent and inclusive manner in line with the spirit of the General Assembly's Guiding Principles and recommendations agreed in 2015. We would like also to reiterate the importance that such an evaluation be conducted in coordination with the host country and that the External Offices themselves also have the opportunity to contribute with their own suggestions and inputs for improving their procedures and the scope of their activities. Additionally, Brazil favors a methodology that gives due consideration to the specific mandate and circumstances of each External Office as well as the level of development of the host country and its respective local IP systems.

354. Russian Federation: The Delegation of the Russian Federation notes the effective function of the network of External Offices. The External Offices are part and parcel of the Organization. They are a very important pillar in the achievement of the objectives and tasks of the Organization, the implementation of its mandate, as well as the advancement of global services in different regions of the world. In addition, the External Offices play a very important role in the cooperation with national IP authorities, the academic and entrepreneurial sectors, as well as applicants and holders in these regions. We have multiple times underscored that the evaluation should be aimed at the furthering and enhancement of all External Offices in the network, and not based on the performance indicators of each individual Office. In accordance with the decision of the General Assembly, the results of this evaluation should help Member States to make decisions on the opening of new External Offices. In this regard, we believe that during the evaluation of External Offices, we should take into account specificities, as for example, the length of operation of a specific Office, as well as the priorities and objectives of countries or regions in which these Offices are opened. The evaluation under no circumstances should be an instrument for political pressure from specific countries on WIPO and Member States. In addition, we note that in accordance with the decision at the 37<sup>th</sup> session of the PBC, the Secretariat was instructed to update document WIPO/PBC/38/5. Considering the opinion of Member States, we would like to thank the Secretariat for the update and presentation of this document. We also believe that this instruction has had a direct impact on this text to make it more readable for future discussion. We hope that the Secretariat will continue its work to implement this instruction. Thank you very much.

355. China: Dear Delegates, good morning. China notes that regarding the discussion of the Terms of Reference for the Evaluation of WIPO External Offices, discussions have been ongoing for many years. We thank all parties for sharing their opinions in this regard as well as the Secretariat's effort in coordinating all these opinions and coming up with this draft. China hopes that this meeting could witness some progress on this agenda item. As one of the hosts of WIPO External Offices, in principle, China believes that the evaluation of External Offices should take into consideration the different circumstances of host countries and their development level. In addition, host countries' support for External Offices including logistical securities should also be taken into consideration. Thank you very much.

356. Singapore: As Singapore is taking the floor for the first time, we would like to thank you and your Vice Chair for your leadership in guiding these sessions. We also extend our appreciation to the Secretariat for the excellent preparations for the meeting. Singapore views the evaluation as an opportunity to help the existing External Offices improve, including to identify best practices of individual External Offices to be shared within the network. The

evaluation should also be done in a fair and transparent manner that involves the External Offices in the process. We look forward to the meaningful discussions on the matter. Thank you, Mr. Chair.

357. Nigeria: Thank you, Chair. The Delegation of Nigeria speaks from direct experience as host of a WIPO External Office in Abuja. We see every week how on the ground presence turns global norms into tangible services. Training young inventors, guiding SMEs through Madrid filings and partnering with Nollywood on antipiracy. External Offices are not a luxury. They are WIPO's front line engine for inclusive innovation. We strongly support their continued operation and adequate resourcing. We also welcome the proposed evaluation provided it is conceived as a learning tool to strengthen, not second-guess the network. The evaluation should give us an actionable insight to make every External Office an even more powerful catalyst for innovation and creativity across all regions. Thank you.

358. Japan: Thank you, Chair. I'm speaking on behalf of Japan in my national capacity. This Delegation aligns itself with the Group B statement. In this agenda item we would like also to reiterate our view. It is important that an evaluation of the entire WIPO External Office network be conducted in accordance with an unbiased, fair and highly transparent procedure. From this perspective, the evaluation team should be composed of independent outside experts in order to enhance fairness and transparency. In addition, it is preferable that the evaluator have a good understanding of the Organization, including its External Offices, as well as a deep knowledge of intellectual property. We believe that the Guiding Principles for WIPO External Offices adopted by the WIPO General Assembly will be very useful for evaluating the existing External Office network. In order to appropriately reflect the current state of operating procedures within all External Offices, it will be appropriate to arrange an opportunity for the External Offices themselves to participate in the evaluation process and to provide comments or opinions with respect to the criteria used for the evaluations. Thank you, Mr. Chair.

359. Deputy Director General, Regional and National Development Sector: Thank you, Chair. Since I was coming from the diplomatic community like yourself, I remember that in 2019, I was on the left side of this hall speaking on behalf of the Asia and the Pacific Group on these issues. It seems to me that all the positions remain the same. Now, I am becoming confused when I am in the Secretariat. Whatever are the mandates and the instructions that will be given by Member States to us, we will do it. We are at your disposal. I know there are some Delegations that would like to decouple the opening of new External Offices from the evaluation or the Terms of Reference of the evaluation. But the problem is that the General Assembly in 2019 decided to defer the consideration of new External Offices until after the evaluation. I remember last year one Delegation proposed that the Secretariat come up with a revised and clean text. But, unfortunately, right away, another Delegation opposed and objected to this. I am in your hands for the next PBC on what you want the Secretariat to do. I can also continue to extract and include your views from today. But it is going to become a bigger and bigger document. Or, do you want us to make a clean and revised text based on the views and come back to you? We are in your hands. Thank you very much.

360. Chair: Thank you for explaining the Secretariat's perspective. I understand that, but as Member States know we will be guided by, as DDG Kleib has mentioned, by your choices. Now it is also true by my observation that the positions do remain divergent. It is my duty as Chair to

bring forth what happens in such situations and it is not the first time that it has happened. We have a precedence as well. Can I ask the Secretariat to put up a decision. It is up to Member States and when the Member States discuss the issues, make some progress, we see that progress. However, as things stand, this is the decision which I am told is similar to what we adopted last time. Last time there was a request for preparation of a document, which was prepared this time. That element is not there. Otherwise the nature of the decision remains the same. Let me read it out for you. The Program and Budget Committee considered the update to document WO/PBC/35/7 Annex I which reflects the views of the Member States expressed in document WO/PBC/35/7 Annex I and in the 37<sup>th</sup> session of the PBC, and the Guiding Principles contained in document A/55/INF/11. The PBC decided to continue the discussion on the draft Terms of Reference of the 2021 Evaluation of WIPO External Offices at the 40<sup>th</sup> session of the PBC. May I request you to consider this and if you agree with the proposed decision - if we can adopt it?

361. Germany: Thank you very much, Mr. Chair. As this is the first time Germany is taking the floor I would like to take the opportunity to congratulate you on your appointment and on your leadership. Also, I would like to thank the Secretariat for the excellent preparation of the session and DDG Kleib for his deliberations on this agenda item. In principle we don't have any problems with this decision paragraph. However, I think maybe we make our lives a little bit too easy because we have been deferring this decision for a very long time and we have a very clear mandate from the General Assembly. I think we should maybe try to make more efforts in solving the problem here and now. I think we have some time to talk about the issue. I think maybe there are possibilities for going forward. As I said we have a very clear mandate from the 2015 and 2019 General Assembly. Basically, there are two tasks we have to fulfill. One is to adopt the Terms of Reference and the General Assembly says very clearly that the PBC shall adopt the Terms of Reference. So there is no discretion. Furthermore, the General Assembly said that we should first defer the consideration of the current ten applications. So basically saying that we are not yet talking about the consideration of these current ten applications. The third decision is considering opening up to four new External Offices and I think we have considered this already. What is pending is the decision on the Terms of Reference. So, I think, and this is a humble suggestion from my side, maybe to say that we have talked about and considered the opening up of four more External Offices. There is no consensus on this issue. We still have the clear mandate of adopting the Terms of Reference and, if I may, I think there is one major issue for the Terms of Reference which is very controversial which is the question of what is the aim of the Terms of Reference and the evaluation. I think the biggest discrepancy in this regard is that some Delegations fear that maybe the evaluation might lead to a situation where the External Office that exists in certain countries might be closed because the evaluation comes to the result that the work is not contributing to the WIPO mandate. However, I have the impression that everyone attributes great value to the External Offices and that maybe the main focus of the evaluation is not to close down any Office but maybe to streamline the work, refocus the priorities and so on. My suggestion would be to really try again and settle maybe even today because we have some time to discuss this issue, excluding the discussion of the opening up of new External Offices, focusing on the Terms of Reference because that's our task to solve the problem. I think there are maybe ways to settle the issue. Thank you very much.

362. Chair: Thank you Germany for your suggestion. I think you explained the rationale for that. As I understand there have been views in the room regarding opening of new Offices and strong views as well. So, while you have all the right to, of course, suggest and we will take it on board if you can give us some language on that. We want to try and resolve issues as much as possible as the Chair. It is also my desire to make progress but at the same time I do understand a lot of discussions have happened on these issues. So, we are here, not for the first time, but I think after several times. The requests with regard to consideration of an item, I don't know how that would be viewed by some of the countries that have made that request. Nevertheless, we are open and do have a bit of time at our disposal. If you can give a suggestion, on the text for everyone to understand what you would want the decision to look like, that would be helpful.

363. Colombia: The Delegation of Colombia would like to request that in the draft decision we consider including a reference to the statements delivered by Delegations today. For example, delinking the evaluation of the External Offices and the opening of new External Offices. Thank you.

364. United States of America: The United States supports Group B's prior statement, and we remain committed to constructively discussing the Draft Terms of Reference for the Evaluation of WIPO External Offices. To help break the impasse on this issue, we believe that this Committee should request that the Secretariat prepare a draft Terms of Reference based on the established UN and WIPO evaluation practices, principles and guidelines and present it for Member States' consideration at a future PBC meeting. Thank you, Chair.

365. Chair: I think we have had at least three suggestions coming on the decision. We need to pause here and give more time for Member States to reflect and propose some textual suggestions so that we can look at them and bring them back to the plenary here.

366. India: Thank you, Chair. I think some of the suggestions just made are clearly noteworthy. What we understand is from the discussions that are happening right now and which have happened in the previous PBC sessions is that this incremental approach on the text that is at hand and that has been compiled by the Secretariat after going very assiduously into the details of all the different sessions is clearly that this incremental approach is not working. I think that the suggestion by the United States is something that is worth considering. At the same time, I also believe that one of the aspects of the decision that happened in the General Assembly was also a timeline given for establishing the ToR and that was one of the reasons why there was a deferral of the idea of opening new External Offices. Since that timeline has long passed, this other idea that has been given by Distinguished Delegate of Colombia, which talks about also giving space to the some of the voices which have been raised, which speak about the delinking of the issue also is a very worthy suggestion. I would also like that these deliberations be held in such a manner so that these aspects do get a proper consideration. Thank you.

367. Chair: My intention is to suspend the meeting for 10 minutes. I think we will come back to you with the next steps on how we intend to proceed. On this particular decision, some suggestions have been made. We need a bit of time to reflect on them and try to see how some of them could be adjusted in the text and then bring it back to you for discussion. That may take

a bit more time, so we can do that in the afternoon today. We will now pause for 10 minutes. We have completed discussion on this agenda item. We will pause for 10 minutes and then we will resume.

368. Chair: We now have the decision on Agenda Item 6. This decision on Agenda Item 6 is a product of your consultations. Can I take it that this decision is adopted by the Committee? I do not see any objections; it is so decided.

369. The Program and Budget Committee (PBC) considered the update to document WO/PBC/35/7 Annex I which reflects the views of the Member States expressed in document WO/PBC/35/7 Annex I and in the 37<sup>th</sup> session of the PBC, and the Guiding Principles contained in document A/55/INF/11.

The Committee requested the Secretariat to prepare Draft Terms of Reference, based on the established UN and WIPO evaluation practices, principles, standards and guidelines, while duly considering the views of Member States previously expressed, and present it for consideration at the 40th session of the Committee.

## **ITEM 7            METHODOLOGY FOR ALLOCATION OF INCOME AND EXPENDITURE BY UNION**

370. Discussions were based on documents A/59/10, A/59/11 and A/59/INF/6.

371. Chair: I now intend to move to Agenda Item 7, Methodology for Allocation of Income and Expenditure by Union. Delegations can request the floor to deliver their remarks.

372. United States of America: Thank you, Chair. As noted under Agenda Item 5, the United States remains concerned that WIPO's budget methodology encourages an over reliance on a single system, the PCT system, at the expense of developing the health of WIPO's other fee-funded systems. We have concerns about the appropriateness and fairness of a continued practice that year after year requires applicants using WIPO registration services for one type of Intellectual Property, namely patents, to disproportionately fund services, programs and initiatives of other WIPO registration systems. Moreover, applicants for these other types of Intellectual Property rights bear no financial cost for any WIPO services, programs or initiatives unrelated to the processing of their applications. It is imperative that the Member States and the WIPO Secretariat exhibit fiscal responsibility regarding future expenditures and take active steps toward financial stability. For the next biennium, the projected income from the registration systems will face a decline. There will be a little over 32 million Swiss francs less than last biennium. In fact, there will be a 26 million Swiss franc decline in PCT based on an expected 5.1 per cent drop in applications filed compared to 2024 and 2025. Madrid's income is expected to decline by 2.4 million Swiss francs. Overall, this will represent a 2.8 per cent decrease in income

compared to the last biennium. While there is a projection in the uptake of applications for Hague and Lisbon, all three of the non-PCT Unions will be running deficits in 2026 and 2027 compared to the income they will generate, totaling over 26.6 million Swiss francs. In 2026 and 2027, Madrid will not only have no surplus, but will have a deficit of 1.375 million Swiss francs. As noted at PBC 37, when the United States discussed 10 years' worth of income and expenditure data for all four of WIPO's fee-funded registration systems, we pointed out the surpluses generated by the PCT. Historically, the PCT system has consistently brought in more money than it has spent. For example, in the 2022/23 biennium, PCT income was 744 million Swiss francs, while expenditures were only 552 million, resulting in a surplus of 192 million. In 2024 and 2025, the updated income is 748.8 million, while expenditures are expected to be over 604 million. However, the updated income figures for 2024 and 2025 noted in WO/PBC/38/4, 748.8 million, is 15 million Swiss francs less than the projected income in 2024 and 2025 discussed at PBC 35, which was 765 million. Further, as noted earlier, there is an anticipated decline in income for the PCT during this next biennium. Moreover, the income of Hague and Lisbon does not cover their expenditures. According to WIPO statistics, the Hague and Lisbon systems each have covered only a fraction of their individual expenditures in recent years. This is true whether looking at budget or actual income and expenditures. There is good news, however. Hague's income is expected to increase during the next biennium and this is coupled with the Hague Union adopting its first fee increase in decades in 2023. It would be prudent to consider what other actions may be taken that would assist in mitigating financial shortfalls moving forward to reach sustainability in Unions that are not currently financially sustainable year on year, and what other actions or steps could be taken. The United States maintains that the PBC look at the following financial trends related to the four fee funded Unions, especially given the concerning projections for 2026 and 2027. First, the PBC should have a better understanding of the relationship of expenditures to income, especially in the case of Hague. If there are multi-year expenditure forecasts for Hague, we could better assess whether the Hague's expenditures will continue to grow, will they level out or decline, giving a chance for Hague income to catch up. Second, the PBC could look at whether Lisbon's income could rebound to positive income growth levels seen in 2014 to 2017. Third, the PBC needs to take a closer examination of the PCT and Madrid income going forward. What would be the PCT and Madrid's historical and multi-year projected income given that PCT applications declined in 2023 and are expected to decline in the next biennium. Madrid has had two consecutive years of decline in applications in 2022 and 2023 and will be in a projected deficit in 2026 and 2027. Lastly, what can be done to intensify a trajectory for financial stability of the Hague and Lisbon systems including updating fee schedules, limiting new expenditures and other steps to enhance financial posture. To help us address these questions, the United States has identified the following themes for a future study on these issues. Theme 1, expenditure trends and forecasting would look at the projection of future expenditure scenarios, best, worst and most likely based on various assumptions, for example, application volume, inflation and new initiatives. Data would be provided on historical spending patterns, trends declining, plateauing or increasing as well as identify areas where expenditure deficiencies could be explored. Theme 2, revenue recovery and financial sustainability which would look at the potential for income rebound in underperforming systems. Theme 3, cross-Union subsidization and/or financial interdependence issue where we could consider the role of the PCT in subsidizing other systems, noting declining application trends and fee schedules. Theme 4, comparative analysis and lessons learned which would provide the PBC with insight into financially stronger systems,

evaluation of whether promotional efforts translate to sustainable income and develop specific and actionable recommendations for achieving financial sustainability for each system separately. The United States hopes our comments on income and expenditure trends, past and present, and of the four fee-funded Unions will facilitate further discussions on how we can better understand and strengthen the financial health of each of the Unions. The United States welcomes a discussion, including bilaterally, and we continue to note the usefulness in having an external independent study, especially a study that helps the PBC to look at the noted themes and questions the United States has raised. Further examining these issues will help to illustrate paths for financial sustainability and help us identify lessons learned from stronger revenue generating Unions. Thank you Chair.

373. Estonia: Thank you very much, Mr. Chair. Distinguished Delegates, as in the past the CEBS Group continues to offer its support for the position that the current allocation methodology should remain unchanged and for the principle of solidarity as the basis criterion for allocation of income and expenditures by Unions. Over the years the existing methodology has proven to be efficient and has supported WIPO in achieving its goals. The current sound financial situation of the Organization is one of the factors that demonstrates it. The balance of spending and income should always remain closely monitored. We would also like to stress that supporting promotional activities for the stakeholders on the ground should be a priority and we look forward to the practical activities in this regard. The CEBS Group believes that the current allocation methodology should be maintained as it is a pragmatic approach and the best solution. Therefore, we would not be in a position to support any of the proposed changes to the allocation methodology. We would be ready to engage in discussions on how to build synergies across various Unions with the view to ensure a healthy global IP ecosystem. Thank you.

374. Sweden: Thank you, Chair. Sweden supports the proposal made by the United States regarding the allocation methodology. We believe that ideally each system should be self-financed. A transparent accounting system is therefore of utmost importance so that the economic development of each system can be easily followed. We think that a study such as that proposed by the United States could be a constructive way forward to create conditions for this. Thank you.

375. Switzerland: Thank you, Chair. Switzerland supports the statement made by the CEBS Group. Given that the financial situation of WIPO remains robust with a surplus of 7.6 million foreseen for the next biennium, we think it's necessary to maintain the allocation method which has borne the test of time and satisfies the immense majority of Member States. In that context, our Delegation would like to recall that at the 2019 WIPO General Assembly we submitted proposal A/59/11. If you will allow us, Chair, we would like to briefly recall what our proposal consists of. It's divided into two parts. The first part relates precisely to keeping the current method of allocation of income and expenditure as applied for many years. The second part of the proposal arises from the first part and consists of applying, once and for all, a logical and pragmatic solution to questions which for 10 years now have been the subject of counterproductive discussions in the PBC. It's a solution which would involve introducing a unified budget, namely putting all of the Unions' finances in a single pot. That is a proposal that would resolve once and for all the systemic issues. To get more information on our proposal, we would refer to our proceeding statements and explanations which were given at the WIPO

General Assemblies in 2019. We are open, of course, to any questions you may have. Thank you.

376. Russian Federation: Thank you, Chair. The objective of WIPO is to develop and promote all types of Intellectual Property equally, and in view of the financial stability of the Organization as a whole, the Russian Federation recognizes the need to keep a unified budgetary system for all WIPO Unions. We support the principle of the solidarity between the Unions. This is a principle which has demonstrated its effectiveness and has been tested and proven over time. When planning the operational activities of the Organization, it is necessary to take into account the capabilities and specifics of the Unions, their financial and human resources and the tasks facing them. No decision taken should have a negative impact on any one of the Unions. We believe that a fundamental revision of the current methodology could lead to the disintegration of the effective functioning and fairly complex structures of the WIPO system. The overall financial position of the Organization is sufficiently stable and sustainable to cover all necessary expenses without harming its Unions. In this regard, we do not see the need to amend the current well-established practice. Thank you very much.

377. Italy: Thank you, Chair. Italy has had a longstanding position on the topic which has not changed. Italy supports the current methodology of income and expenditure by Union. This methodology has existed since 2007 and has served effectively the implementation of WIPO's goals. WIPO was created to promote and protect Intellectual Property across the world by cooperating with countries as well as International Organizations. The current methodology was conceived to reflect WIPO's targets, future developments and ambitions that are fully shared by Italy. Thank you, Chair.

378. Thailand: Thank you, Chair. Thailand supports efforts to enhance transparency and evidence-based decision making in budgeting and planning, including studies on spending and budgeting patterns and forecasting. At the same time, we consider that the current methodology has served the Organization effectively and can continue to be used as a sound basis unless and until a clear and collective agreed alternative is developed. Thank you, Chair.

379. Portugal: Thank you, Chair, for giving me the floor. Portugal supports the statement by Estonia in the name of CEBS and of Italy and joins other voices in support of the current methodology of allocation of income and expenditure by Union. We see no reason to change the current financial management of the Organization which has a surplus in its general accounting. Thank you.

380. France: Thank you very much, Chair. France would align itself with the statement made by Estonia on behalf of the CEBS Group, Italy, Portugal and Switzerland and we would align ourselves with those who have supported the current budgetary methodology of the Organization. We would support that it is being kept. Thank you, Chair.

381. Poland: Thank you very much, Mr. Chair and good afternoon, everyone. This is a short statement to support strongly the statement delivered by Estonia on behalf of the CEBS Group and other countries in support of retaining the existing methodology for allocation of income and expenditure by Union. Thank you very much.

382. Tunisia: Thank you, Chair. Tunisia would like to highlight the principle of solidarity between Unions and budgetary solidarity. This means that we have always been able in this Organization to effectively promote Intellectual Property and the good functioning of this Organization. The unitary function of this Organization and the current budgetary methodology and sharing of resources among Unions is a fundamental principle of our Organization. It is an effective way of responding to expectations from Member States in terms of IP rights. The financial excellence of WIPO is a strong indicator that the current budget methodology is indeed effective. Thank you.

383. Hungary: Thank you very much, Mr. Chair. Hungary as an observer to this Committee, strongly supports the statements that were delivered by Estonia on behalf of the CEBS Group and among others Italy, Portugal and France. This Delegation is in favor of maintaining the current methodology for allocation of income and expenditure by Unions and keeping the unified budget as practiced by the Organization. Thank you.

384. United States of America: Thank you, Chair. The United States reminds Member States of its submission to the 2015 General Assembly on this issue, document A55/INF/10 and its intervention contained on page 4 of document WO/PBC/24/18. Our comments on this issue remain the same. First, the unitary contribution system applies to the six contribution financed Unions, but it does not apply to the four fee generating Unions. Second, there are separate budgets for the fee funded Unions as required by their respective Treaties. Third, in 2003, the WIPO Assemblies adopted amendments which have not yet entered into force to various Treaties to implement the unitary contribution system which again only applies to the contribution financed Unions. Thank you, Chair.

385. Czech Republic: Thank you, Mr. Chairman. The Czech Republic supports the current allocation methodology. The methodology has been efficient in supporting WIPO in achieving its goals over the years. Thank you.

386. Switzerland: Thank you, Mr. Chair. In addition to what we said before on supporting the current methodology, we would like to thank the Delegation of the United States for the proposal of a study. We do not, however, see the need for such a study in view of the fact that the overall financial situation of the Organization is healthy, and the proposed Program of Work and Budget foresees a solid total surplus of 7.6 million Swiss francs for the next biennium. According to the current methodology for allocation of income and expenditure by Unions, which has proved its effectiveness, a Union that does not have sufficient revenue and reserves to cover its projected expenses can receive the necessary resources from the net assets of the Organization. Repayments are to be made only when the reserves of such Union allow it to do so. This is in line with our strong belief that those parts of the Organization that produce benefits should support activities that generate more expenses than income provided there is an overall surplus. I thank you.

387. Spain: Thank you very much, Chair. The Spanish Delegation would like to align itself with the statements from Italy, Portugal, France, Poland, Hungary and the Czech Republic. Similarly, we would like to express that we agree with the current allocation methodology and we do not think that change is required. Thank you.

388. Ghana: Thank you, Mr. Chair. The proposed Program of Work and Budget anticipates a surplus of 7.6 million Swiss francs for the next biennium indicating that the overall financial situation of the Organization is healthy. This is a testament to the efficiency of the current state of affairs. We therefore support maintaining the current methodology and keeping the unified budget. Thank you.

389. France: Thank you, Chair. We would like to thank the Delegation of the United States for their proposal of a study. However, we do not think that there is any need currently. The overall financial situation of this Organization is very healthy, and the proposed Program of Work and Budget is very optimistic for the future. The current unitary contribution system has stood the test of time and any Union that does not have enough revenue can be covered from the net assets of the Organization. Their repayments must only be made when reserves of the Union allow this. This is part of the conviction that the areas of the Organization that are in an excellent financial situation will then be able to help the other areas. Thank you.

390. United States of America: Thank you, Chair. The capacity-to-pay approach encourages an imbalance in WIPO's budget. For several PBCs, the United States has raised concerns about the over reliance on a single system, the Patent Cooperation Treaty system, at the expense of developing the health of WIPO's other fee-funded systems and their ability to contribute to the overall Organization. As WIPO's financial projections change due to global economic uncertainties, the PBC taking affirmative steps to assess the financial health of the four fee-funded systems would help to shore up defenses. Thank you, Chair.

391. Chair: Thank you, United States. There is no more request for the floor. Is there any Delegation that wishes to take the floor on this agenda item? I don't see any. Dear friends, we have listened to the comments and opinions expressed on this agenda item. As Chair, what I can see is that there is no consensus at this stage to proceed in one way or the other, on the proposals that have been made. I can therefore rely on your support, if I propose that we need to keep this as a discussion item in the 40<sup>th</sup> session of the PBC. I would therefore propose, for your consideration, that we decide as follows: "The Program and Budget Committee decided to continue the discussion on the methodology for the allocation of income and expenditure by Union at the 40<sup>th</sup> session of the PBC." This is something that I would like you to consider as a decision to be adopted by this Committee.

392. United States of America: Thank you, Chair. We noticed some language that was just deleted that we would ask to be put back on the screen that referred to proposals made by various Delegations as well. I believe if you would just undelete the text that was just deleted, that would be very helpful. Thank you.

393. Chair: I would request the Secretariat to proceed as requested by the United States Delegation. I think the language was: "*inter alia*, the relevant proposals submitted by Member States during previous sessions". I would read the proposed decision once again. It is in front of you as well. This language would be in line, as the Secretariat informs me, would be in line with the decisions that have been adopted in the previous PBCs as well. May I take it that we can adopt this decision? I don't see any objection. The decision is adopted.

394. “The Program and Budget Committee decided to continue the discussion on the methodology for the allocation of income and expenditure by Union at the 40<sup>th</sup> session of the PBC, inter alia, the relevant proposals submitted by Member States during previous sessions.”

## **ITEM 8 CLOSING OF THE SESSION**

395. Chair: Thank you, dear Colleagues, for your patience. We are convening again in the formal plenary setting. I welcome WIPO’s Director General, Mr. Daren Tang, to the podium as well. We will first proceed with displaying the decisions that we have adopted on the screen. These are the decisions that we have adopted in the formal plenary of the meeting this week on Agenda Items 1, 2, 3, 4, 5, 6, and 7. We are now on Agenda Item 8, Closing of the Session. Thank you all for your cooperation. The list of decisions will be shared with Group Coordinators who will share it with all members. I now invite Director General Tang to deliver his closing remarks.

396. Director General: Thank you very much, Chair. The sun is high up in the sky, it is a beautiful day. I will keep my remarks brief. Let me start by thanking all the Member States, the Regional Coordinators and everyone here for your very detailed discussions and deep engagement on the many important topics these past few days. It has always been done in a manner that was calm, constructive, and very helpful for me as the Director General and my colleagues as the members of the Secretariat with your guidance, your directions. It really gives us the opportunity to know what to do to continue building an Organization that serves you. Of course, throughout the week, there were many views on the canvas. Let me touch on some of the themes that seem to have cropped up throughout the week. First, let me say that as the first Director General Tang from an National IP Office and whose first job in the National IP Office was to run the IP registries, I strongly believe that the engine room of any IP institution are the IP registries. I would like to give assurance to all of you here that we pay a lot of attention and care to the IP registries and to our global IP services, not just to their smooth day-to-day operations where literally hundreds of people are using us each day to move their IP across borders but also making sure that we are reforming our business processes, bringing technology into our work while not losing the human touch and always putting our customer and clients at the center of our work. One very concrete example I would like to share is this Future Growth Taskforce that I alluded to I think in my opening. I established this taskforce last year and it consists of very senior leaders throughout the Organization that report to me and the other Sector Leads on a regular basis. The taskforce’s job is to look at how we can ensure that WIPO’s global IP services remain future ready, relevant and continues most importantly to bring value to the hundreds of thousands of customers that we have each year, who are really the innovators, inventors and enterprises from all corners of the earth. I also have heard comments that have been directed to our work, developmental work, and I want to say that WIPO’s development work touches on the entire IP life cycle, from IP awareness, IP registration, enforcement, dispute resolution, commercialization, financing, valuation, management. We touch on this from the cradle to grave of IP. It is about economic empowerment for communities or beneficiaries like women, youth and small and medium enterprises. It is about building vibrant innovation and creativity ecosystems. It is about developing IP skills and mentoring

entrepreneurs and others with great ideas to use IP to bring these ideas to the market. It is about raising IP awareness so that people know that IP is part of their lives. It is about strengthening IP frameworks, laws and regulations and about using IP as a catalyst for jobs, investments, growth and economic development. It is just about a set of activities that makes very concrete the strong value of IP to all countries, not just at the policy and leadership level but also at the ground or grassroots level as sometimes we call it. And both are important because leadership buy-in is needed for the policy and architecture changes that are needed at the country level but buying support and belief at the ground or grassroots level is also needed to sustain the work of building a vibrant IP ecosystem. I also say that I sometimes joke with my colleagues that WIPO is a performance driven Organization, but we are not a performative Organization. So, when we reach out to people and we reach out to the world, it is not because it is trendy or fashionable, but it is because we are the World Intellectual Property Organization, and we need to bring IP to the world. When we talk about the whole world, we are talking about women and girls. Why do we do this? Because only 17 per cent of them are filing IP across all types of IP, 17 to 20 per cent. So, we need to bring more of them into the system. For small and medium enterprises, that is the majority of enterprises in all economies, LDCs, developing, emerging and even developed economies, and it is a shame if many of them do not use the IP system that others are able to use. For young people, our WIPO PULS survey shows that young people have a much lower level of IP awareness and usage as compared to other segments of the population. WIPO and the UN define the youth as anyone below the age of 35, therefore, we are not just talking about teenagers or very young people. We are talking about young adults as well. This is why we are very grateful for your support for IPGAP, IPYES and the GEEP and we will continue working on these in a very concrete and impactful way. Of course, we want to make sure that IP is part of the conversations when we deal with our common global challenges, that IP is seen as a way of harnessing the power of innovation, the power of creativity to address these challenges. I just want to give a bit of a sense as to how WIPO goes about doing its work so that you know that at the heart of what we do is to bring IP into all of these different areas of work, bring IP to the ground, bring IP to the leaders and make IP part of everyone's lives everywhere. And I promise you that we will continue operating with a high level of efficiency, openness and transparency which has been part of the way we work for many years. So let me just with this conclude with special thanks to many others who have made this week a very fruitful week. First our Chair, Ambassador Bilal Ahmad, you have taken on this task amidst a very busy Geneva Agenda where many other agencies are calling for your attention, but you have stayed with us throughout these last few days. I am very grateful for that. And thank you for skillfully guiding our discussions. I should mention that you have been very ably assisted by our Vice-Chair, Jose Antonio Gil Celedonio, he was our former Chair. He has been serving all of us for the last few years. It has been a pleasure to work with you both. I also again want to thank the Group Coordinators. I know it is a thankless task, but at least I can thank you for doing a thankless task and for representing your regions so diligently and effectively. Of course, I would like to acknowledge the hard work and professionalism of my many colleagues in the Secretariat, my colleagues in the senior leadership team and many of those at this podium who have had to field questions from you, answer your queries, help to try to clarify your questions, and, of course, help to ensure the smooth running of this Committee. So at the half time in this PBC process, I am very happy that we have seen very fruitful discussions, good progress, and I look forward with the same spirit of supporting you as our Member States to having a successful second PBC meeting, I think the 39th meeting from the 16<sup>th</sup> to 20<sup>th</sup> of June.

And with that, just let me wish all of you who are heading back to capitals a very safe journey back, and for those of you here in Geneva, a very good weekend ahead. Thank you very much.

397. Chair: Thank you, Director General Tang, for your kind remarks to the Chair, Vice-Chair and to the Secretariat, which is in fact your team, but has been my team during these five days. I will now open the floor to Group Coordinators and to Delegations who wish to speak.

398. Colombia: The Delegation of Colombia is delivering this statement on behalf of GRULAC. Chair, first and foremost, we would like to thank you and the Vice-Chair for your leadership and for your excellent management of this PBC session. We are delighted that we have been able to approve the agenda and have a constructive dialogue, particularly on sensitive matters which involve the current Proposed Program of Work and Budget for 2026/27; and we are now preparing to participate in the next PBC session. We also extend our thanks to the Secretariat for preparing the documents, the high quality of presentations provided and for supporting Delegations throughout this week and prior to this PBC session. We also thank the interpreters, the technical and the logistics teams here at WIPO for facilitating our work. Finally, we reiterate our commitment to working in a collaborative and constructive spirit with all Regional Groups and the Secretariat.

399. Pakistan: Thank you, Mr. Chair. We are honored to deliver this statement on behalf of the Asia and the Pacific Group. At the outset, the APG extends its sincere appreciation for your skillful leadership and guidance throughout this session. We thank the Director General for his closing remarks and are equally grateful to the Secretariat, the conference services team and the interpreters for their support and professionalism. The APG greatly values the discussions undertaken on all agenda items during this PBC session. The Group acknowledges the Organization's robust financial management and the positive operating surplus which reflects prudent planning and effective stewardship of resources. This session has allowed us to carry out meaningful deliberations and to make progress on a range of important agenda items. We thank all the Delegations for their constructive proposals which allowed us to reach consensus on several decisions during this session. The APG also greatly values the ongoing discussions around performance measurement and reiterates the importance of KPIs that are not only output based but also reflect development outcomes, inclusivity and real ground impact. Mr. Chair, the APG commends WIPO's continued commitment to using IP as a tool to advance the SDGs and believes that a continued focus on carrying out development and impact driven initiatives will enable us to move forward in fulfilling WIPO's mandate and the Development Agenda recommendations. The Group reaffirms its commitment to the work of the PBC and emphasizes the importance of sustained collaboration among WIPO Member States to ensure that the WIPO Program of Work and Budget continues to contribute to the global IP ecosystem in a balanced and inclusive manner. We wish everyone an excellent weekend and a safe journey to those traveling.

400. Japan: Thank you, Mr. Chair. We would like to thank Director General Daren Tang for his closing remarks and you, Chair, for your leadership and punctual management of the meeting as well as the Vice Chair and the Secretariat for their hard work during this session. Moreover, we would like to thank the interpreters and the conference services for their professionalism and availability. We note with satisfaction the conscientious adoption of the decisions that are of great importance for the financial health and efficient functioning of this

Organization. We hope that our deliberations on the PBC 38 items left open and the PBC 39 documents will continue in an equally constructive spirit in the next session. Mr. Chair, Group B remains committed to contributing constructively to the work of the PBC at the next session in June.

401. Namibia: Namibia is pleased to deliver this closing statement on behalf of the African Group. We thank the Chair and the Vice-Chair for their steadfast leadership throughout this session. We also thank Director General Tang for his encouraging closing remarks, and we extend our gratitude to the Secretariat for their hard work and dedication, as well as the interpreters for their invaluable assistance in facilitating clear communication. We appreciate the efforts and flexibility of all the Delegations in reaching a consensus on the various agenda items discussed during this session. We hope to maintain this positive spirit in the next, 39<sup>th</sup> PBC session. We also wish everybody a great weekend and safe journey to those who are traveling back home.

402. Estonia: Thank you, Honorable Director General, Distinguished Chair, dear colleagues. Mr. Chair, on behalf of the CEBS Group, let me thank you and your Vice-Chair for your skillful guidance during the work of the first PBC session. Your work and dedication has enabled us to make progress this week. We also extend appreciation to the Secretariat for their excellent work and efficient efforts invested in the preparation and advancement of the work of this Committee. Likewise, we would like to thank the interpreters and the conference services. Let me also express our gratitude to all Regional Coordinators and Member States for their efforts and cooperation in the spirit of reaching agreements on important matters discussed during the Committee's 38th session. The CEBS Group notes the progress achieved during this week. We appreciate the constructive engagement of all parties involved and we look forward to continuing our discussions in the next PBC meeting in June.

403. China: Thank you, Mr. Chair. The Chinese Delegation would like to thank the Director General Tang for his remarks. Our thanks also goes to the Secretariat as well as the Chair and Vice-Chair. Under the Chair's leadership and the constructive participation of all parties, we have witnessed a consensus on many agenda items which have laid a sound foundation for reporting to the upcoming Assembly as well as the upcoming PBC in June. China appreciates the flexibility and constructiveness demonstrated by all parties. In particular we appreciate the efforts made by the Chair, the Secretariat, as well as the Group Coordinators. Although some of the items were left for discussion in the next PBC, we believe that under the leadership of our Chair and the cooperative spirit demonstrated by all parties, we will constructively promote progress. We also thank our interpreters for their high-quality interpretation, and I look forward to seeing you next month.

404. Russian Federation: Thank you, Chair. The Russian Federation would like to express its gratitude to you for your constructive and unbiased approach to conducting our session. We would like to thank your Deputy and also Director General Tang, and his Assistants and Deputies, the Secretariat team, the Divisions, the Delegates and the interpreters. We are grateful for the organization of the meeting, the document preparation and the support given to the Member States. We would also like to note the constructive work that has taken place at this 38th PBC session and the multilateral approach when it comes to adopting decisions. We hope that the Committee will continue to fulfill its mandate without artificial politicization and

discussion of questions which do not relate to the agenda of the meeting. The Russian Federation is open to further joint constructive work to establish a balanced and effective global Intellectual Property system, which subsequently will become a powerful driver for global innovative development and economic growth for the benefit of all.

405. Chair: I will begin by thanking Director General Tang for being here and sharing his vision and explaining WIPO's approach to the issues that have been very much under debate during the week. I must also thank the Vice-Chair José Antonio Gil Celedonio, who was very helpful in chairing some of the sessions. I also thank the PBC Secretariat team who helped me prepare for the session with briefings and continuously assisting me throughout the meeting. And, of course, I thank the interpreters who have constantly been with us as well as the support staff. Most importantly, I want to thank the Member States, what we have achieved belongs to the Member States. I thank you all for the cooperative spirit that you have exhibited throughout these discussions. We have decisions on five agenda items, and for one decision we have five proposals. We have a total of nine decision points out of which we had consensus on seven and for two decision points we did not have a consensus. However, there was the consensus to discuss those points and issues in the next PBC session in June. With this spirit, I feel very optimistic and very encouraged that if this is the environment of cooperation, indeed, we will have more successes in future. Everything achieved is thanks to you, I must thank you and dedicate the success and the outcome of this meeting to the cooperation that you have all exhibited. I thank you for the kind words expressed to me. With your permission, I wish to close the meeting. The meeting is closed.

[Annex follows]

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*(dans l'ordre alphabétique des noms français des États/  
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